

**BANK OF COMMERCE – TRUST SERVICES GROUP**

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

For the Quarter ended **03-31-2019**

**FUND FACTS**

<b>Classification</b>	<b>Money Market Fund</b>	<b>Net Asset Value per unit (NAVpu)</b>	<b>1.093866</b>
<b>Launch Date</b>	August 16, 2013	<b>Total Fund NAV</b>	<b>PHP 55,446,439.28</b>
<b>Minimum Investment/ Maintaining Participation</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: 0.00%</b>	<b>EXTERNAL AUDITOR FEE: 0.00%</b>	<b>OTHER FEES: 0.00%</b>
*As a percentage of daily NAV	N/A	R.G. Manabat and Co.	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 and Government Securities. 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 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.

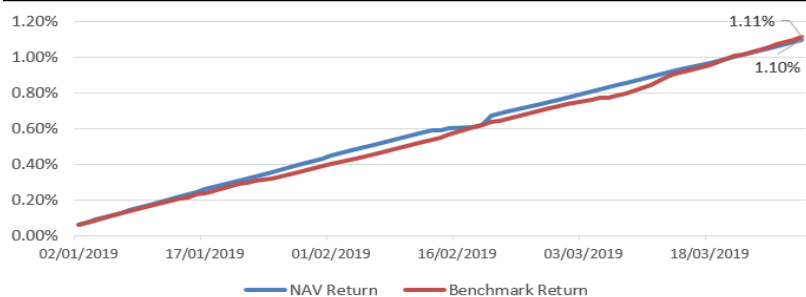
**Country Risk.** The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **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)  
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**FUND PERFORMANCE AND STATISTICS AS OF 03-31-2019**  
(Purely for reference purposes and is not a guarantee of future results)

**NAVpu Graph**



**NAVpu over the past 12 months**

Highest	1.093866
Lowest	1.060077

**Statistics**

Wtd. Ave. Duration	0.14
Volatility, Past 1 Year*	0.01%
Sharpe Ratio**	1.24
Information Ratio***	(0.60)

\*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.

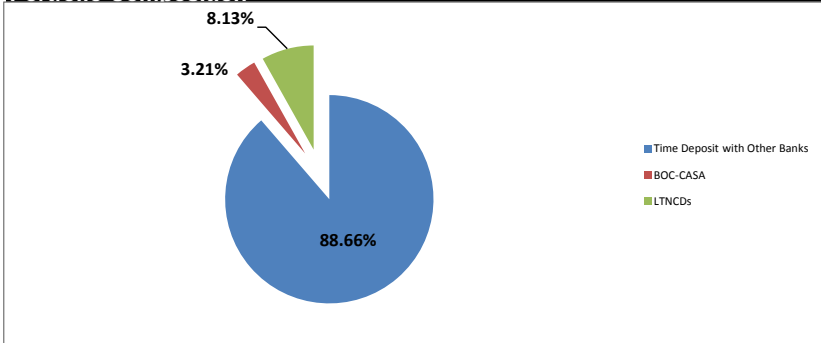
\*\*\*Information ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

**Cumulative Performance (%)**

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.3339%	1.0973%	2.0172%	3.1826%	6.0629%
Benchmark	4.2204%	4.2204%	3.1975%	2.2078%	1.1620%

\*Benchmark is the 3-month yield based on PDST R-2 and PHP BVAL Rate

**Portfolio Composition**



**Top Ten Holdings (%)**

Holdings	Weight
Time Deposit with Other Banks	88.66%
BOC-CASA	3.21%
LTNCDs	8.13%
<b>TOTAL</b>	<b>100.00%</b>

**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The fund has deposit with Bank proper amounting to Php1,775,989.00 which is 3.21% of the funds. 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**

For latest economic data, Gross Domestic Product (GDP) posted 6.2 percent full-year growth for 2018 driven by Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods; and Other Services. The Department of Budget Management (DBM) revised its GDP growth forecast for this year and the next from 7.0%-8.0% to 6.0%-7.0% and 6.5%-7.5%, respectively. On the other hand, country's headline inflation decelerated further to 3.8 percent in February 2019. Slowdown in inflation remained to be primarily attributed to the slower annual increase in the index of the heavily-weighted food and non-alcoholic beverages at 4.7 percent. Annual gains were also slower in the indices of other commodity groups, except for communication and education.

In policy meeting last March 21, the central bank has decided to keep its policy rate steady despite easing inflation. The interest rate on the BSP's overnight RRP facility was kept at 4.75% while rates for overnight lending and deposit facilities were likewise held steady. In its policy statement, the central bank said that monetary policy settings remain appropriate as inflation continues to settle within the BSP's target band of 2-4 percent. In addition, reserve requirement ratio (RRR) was also maintained as policy makers remain watchful about its effects. A BSP deputy governor was quoted as saying that RRR cuts are forthcoming but properly timing the policy action is critical. Moreover, Philippine central bank cut its 2019 inflation forecast to 3% year-on-year from 3.07% previously.

The fund strategic move is to continuously look for investment outlets with competitive rates and within allowable average duration. Also, the fund will continue to invest in most competitive money market rates available among the accredited counterparties and participate in BTR's T-bills Auction if TD and SSA rate eases.