

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 06-30-2019

FUND FACTS			
Classification	Money Market Fund	Net Asset Value per unit (NAVpu)	1.105909
Launch Date	August 16, 2013	Total Fund NAV	PHP 57,428,355.72
Minimum Investment/ Maintaining Participation	PhP 10,000.00	Dealing Day	11:30 AM
Minimum Additional	PhP 5,000.00	Redemption Settlement	T + 1
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*			
TRUSTEE FEE: 0.25%	CUSTODIAN FEE: 0.00%	EXTERNAL AUDITOR FEE: 0.00%	OTHER FEES: 0.00%
*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.

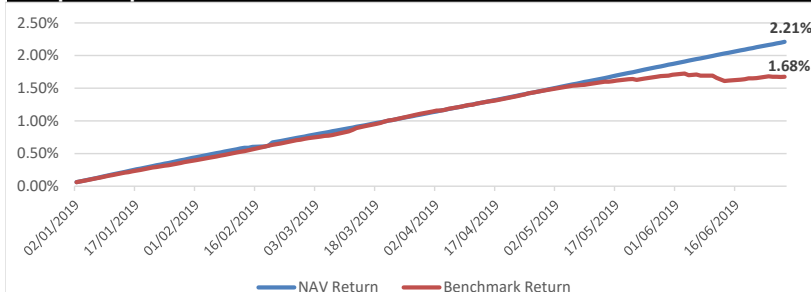
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **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
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FUND PERFORMANCE AND STATISTICS AS OF 06-30-2019
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

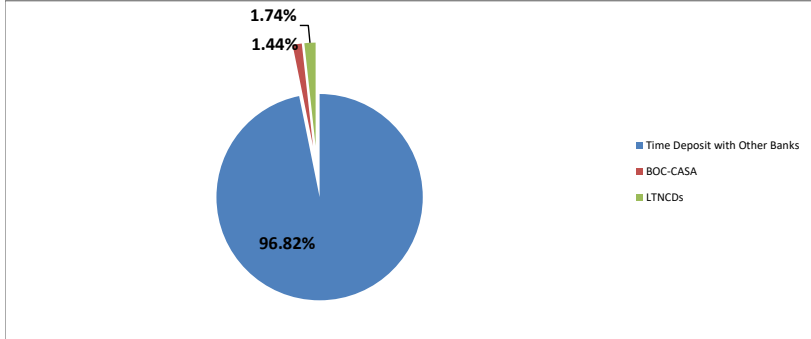


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.3568%	1.1014%	2.2108%	3.8083%	6.8413%
Benchmark	3.9980%	4.3892%	4.3708%	2.8757%	1.1554%

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

Portfolio Composition



NAVpu over the past 12 months

Highest	1.105909
Lowest	1.065232

Statistics

Wtd. Ave. Duration	0.13
Volatility, Past 1 Year*	0.01%
Sharpe Ratio**	0.62
Information Ratio***	3.69

*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.

Top Ten Holdings (%)

Holdings	Weight
Time Deposit with Other Banks	96.82%
BOC-CASA	1.44%
LTNCDs	1.74%
TOTAL	100.00%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has deposit with Bank proper amounting to Php822,781.38 which is 1.44% 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

At BSP's meeting on monetary policy last June 20, the Monetary Board decided to keep the interest rate on the BSP's overnight reverse repurchase (RRP) facility unchanged at 4.50 percent. The interest rates on the overnight lending and deposit facilities were likewise held steady. The Monetary Board believes that the manageable inflation outlook and firm domestic growth prospects support keeping monetary policy settings steady for the time being. A prudent pause allows the BSP to observe and assess the impact of prior monetary adjustments including the phased reduction in the reserve requirements to be completed by the end of July. Going forward, the BSP will continue to monitor emerging price and output conditions to ensure that monetary policy remains in line with the BSP's price stability objective while being supportive of economic growth. In a statement, the Treasury said the average rates for all three tenors of Treasury Bills were below secondary market levels. Yields also fell on expectations that while the US Federal Reserve was seen keeping interest rates steady, there was a high likelihood of a cut during its next meeting amid sluggish growth and escalating tension with trade partners such as China.

From BSP's meeting last June 20, latest baseline forecasts indicate that inflation remains likely to settle within the target range of 3.0 percent \pm 1.0 percentage point for both 2019 and 2020, while inflation expectations have moderated further. The Monetary Board also noted that while real sector activity moderated in the first quarter of the year, overall domestic economic activity is likely to remain firm, supported by a projected recovery in household spending and the continued implementation of the government's infrastructure spending program. In addition, weaker global economic prospects amid a possible easing in global demand and increased trade tensions continue to temper the inflation outlook. The potential adverse effects of a prolonged El Niño episode remain a key upside risk to inflation.