

BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended **9/30/2019**

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.831577
Launch Date	April 8, 2015	Total Fund NAV	PHP 25,235,205.34
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.

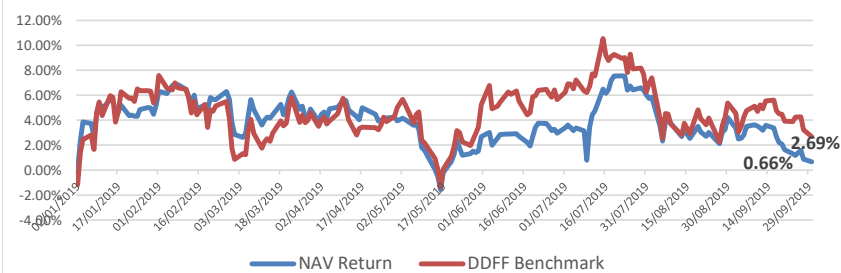
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **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 9/30/2019
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

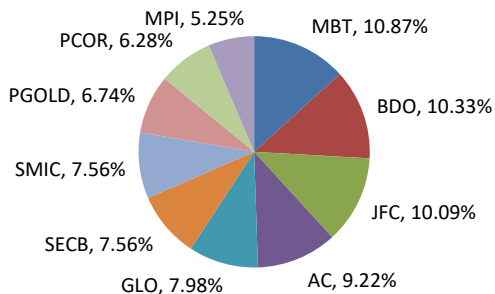


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-3.4087%	-2.2346%	-4.0432%	3.4749%	-10.41%
Benchmark	-2.5138%	-2.7581%	-1.7910%	6.9021%	1.957%

*Benchmark is PSEi

Portfolio Composition



NAVpu over the past 12 months

Highest	0.888553
Lowest	0.768670

Statistics

Wtd. Ave. Duration	NA
Volatility, Past 1 Year*	1.65%
Sharpe Ratio**	(0.20)
Information Ratio***	(1.82)

*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 (%)

MBT	10.87%
BDO	10.33%
JFC	10.09%
AC	9.22%
GLO	7.98%
SECB	7.56%
SMIC	7.56%
PGOLD	6.74%
PCOR	6.28%
SMPH	5.25%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper amounting to Php 301,281.54 which is 1.02% 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 PSEi fell on thin volumes as global market weakness weighed heavily on investor sentiment. The escalating US-China trade war and currency war continue to take center stage with the US slapping additional tariffs on roughly USD\$100Billion in Chinese imports effective September 1, 2019. Meanwhile, China imposed tariffs on USD\$75Billion worth of US goods in retaliation. The recent attack on Saudi Arabia's oil facilities also added to investor worries as this led to a temporary spike in oil prices. Meanwhile, the recent impeachment inquiry on US President Donald Trump further exacerbated the negative sentiment. On the domestic front, the BSP cut policy rates by 25 basis points as expected, bringing it to 4.0% during its Monetary Board Meeting. Not long after, the central bank pronounced a cut in bank reserve requirements (RRR) by 1 percentage point to 15% effective November 4. The PSEi declined -2.51% month-on-month to close at 7,779.07 with an average value turnover of US\$128Million or 28% lower than US\$177Million last August. Foreigners continued to be net sellers in September with foreign outflow reaching US\$143Million.

The PSEi may trade range-bound between 7700-7900 until new catalysts surface.

Market weakness highlighted by global events to persist and therefore take it as a window of opportunity to buy at lower levels.