

BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended **12/31/2019**

FUND FACTS			
Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.827359
Launch Date	April 8, 2015	Total Fund NAV	PHP 25,107,222.53
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% per annum	CUSTODIAN FEE:	EXTERNAL AUDITOR FEE: 0.0614%	OTHER FEES:	N/A
*As a percentage of daily NAV	Php100 per transaction	of Total External Audit Fee of TSG	N/A	
	PDTC	KPMG Audit		

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.

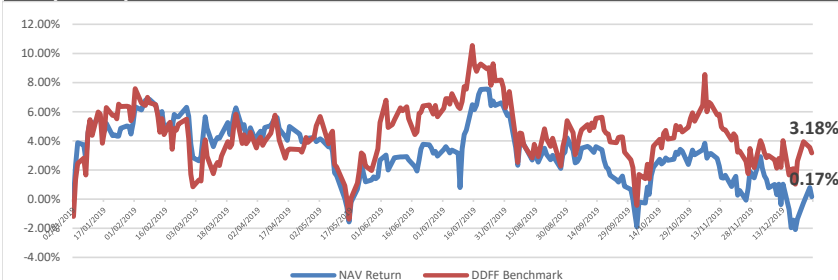
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **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 12/31/2019
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

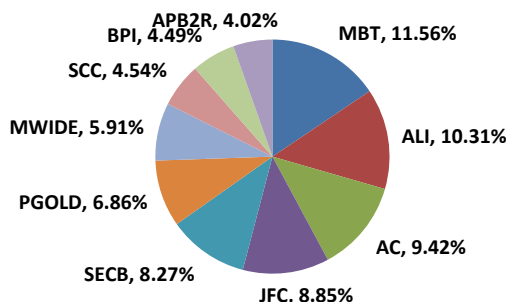


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-1.2733%	-0.4906%	-2.7143%	0.1657%	-3.19%
Benchmark	0.9859%	0.4652%	-2.3057%	4.6777%	14.247%

*Benchmark is PSEi

Portfolio Composition



NAVpu over the past 12 months

Highest	0.888553
Lowest	0.808835

Statistics

Wtd. Ave. Duration	N/A
Volatility, Past 1 Year*	1.99%
Sharpe Ratio**	(0.76)
Information Ratio***	(1.94)

*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	11.56%
ALI	10.31%
AC	9.42%
JFC	8.85%
SECB	8.27%
PGOLD	6.86%
MWIDE	5.91%
SCC	4.54%
BPI	4.49%
APB2R	4.02%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper amounting to Php 1,971,077.76 which is 7.85% 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 Philippine Stock Exchange Index was able to close out the year a tad higher despite the presence of strong internal and external volatility. The PSEi rose by 1% month-to-month to 7,815.23 with average value turnover registering at US\$139.4 million.

On the domestic front, the market was rocked by water utilities issue where the government went after Maynilad and Manila Water, concerning some onerous items in the water concession contract. The former stated that it would revoke the concession extension the have until 2037. On the other side of the coin, the geopolitical tensions were rampant from the ver-evolving US-China Trade War, Hong Kong uprising to the India protest. Also, index rebalancing activities such as FTSE rebalancing and MSCI (inclusion of Saudi Aramco and China A-Shares) further exacerbated the sell-off.

However, the market got resuscitated as optimism arose following the progress of Phase One of the the deal between US and China. In terms of flows, foreigners continue to be net sellers at US\$173 million which stretched the selling to US\$230 million for the year.

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

Forecast for 2020:

- PSEi to hit 8,600 to 8,900 (high) levels