

BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended 12-31-2019

FUND FACTS

Classification	Money Market Fund	Net Asset Value per unit (NAVpu)	1.121823
Launch Date	August 16, 2013	Total Fund NAV	PHP 67,612,694.45
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	7 days	Early Redemption Fee	5% on redeemed amount

FEES*

TRUSTEE FEE: 0.25% per annum *As a percentage of daily NAV	CUSTODIAN FEE: N/A N/A	EXTERNAL AUDITOR FEE: 0.1632% of Total External Audit Fee of TSG KPMG Audit	OTHER FEES: N/A N/A
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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.

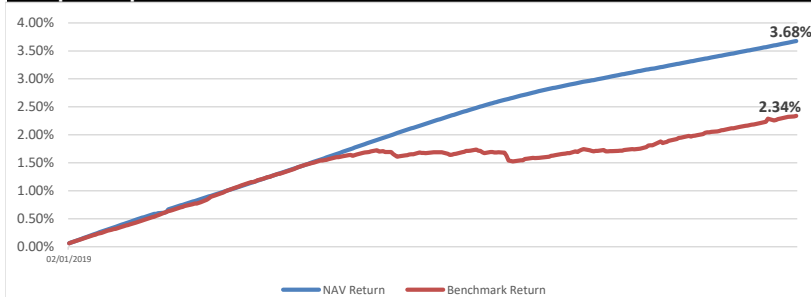
- **THE UIT FUND IS NOT A DEPOSIT AND NOT INSURED BY PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND 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 12-31-2019
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

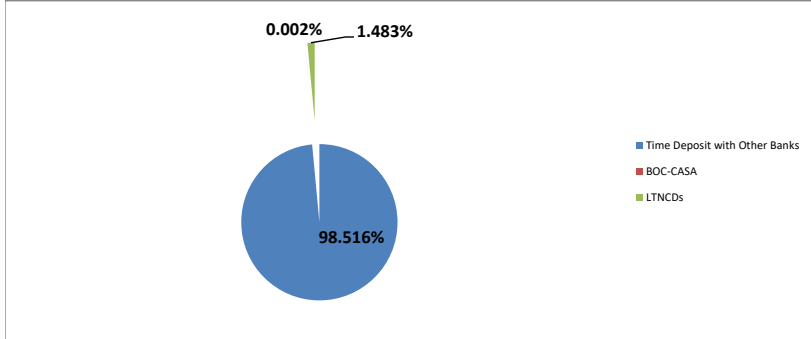


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.1926%	0.5915%	1.4334%	3.6758%	7.5593%
Benchmark	2.2924%	2.2316%	3.3180%	4.3708%	1.4104%

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

Portfolio Composition



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has deposit with Bank proper amounting to Php1,143.04 which is 0.017% 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

the country's headline inflation increased further by 2.5 percent in December 2019. Inflation was observed at 1.3 percent in November 2019 and 5.1 percent in December 2018. The uptrend in the inflation in December 2019 was mainly brought about by the 1.7 percent annual increment recorded in the heavily-weighted food and non-alcoholic beverages index. In the previous month, food and non-alcoholic beverages index registered an annual rate of zero percent. For the year 2019, annual average headline inflation of the country slowed down to 2.5 percent from 5.2 percent in 2018.

Excluding selected food and energy items, core inflation escalated by 3.1 percent in December 2019. Core inflation was recorded at 2.6 percent in the previous month, while it was 4.7 percent in the same period of 2018. The annual average core inflation during the year was 3.2 percent, from 4.2 percent in 2018.

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said monetary policy easing will not be as "aggressive" this year compared to 2019 and will be delivered at a slower pace as inflation is expected to stay within target, and with other data showing the economy remains strong. In addition, Mr. Diokno said they have "a lot of room" for further monetary policy adjustments this year after the 75 basis points (bps) cuts it implemented in 2019.

The fund will take the opportunity to shift portion in Treasury Bills to lock-in good rates. Investors might start to feel fluctuation on their investment due to daily marked to market valuation of T-bills but it will give better yield than deposits upon its maturity.

NAVpu over the past 12 months

Highest	1.121823
Lowest	1.082286

Statistics

Wtd. Ave. Duration	0.09
Volatility, Past 1 Year*	0.01%
Sharpe Ratio**	1.11
Information Ratio***	2.30

*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.

Top Ten Holdings (%)

Holdings	Weight
Time Deposit with Other Banks	98.52%
BOC-CASA	0.00%
LTNCDs	1.48%
TOTAL	100.00%