



BANK OF COMMERCE – TRUST SERVICES GROUP

BANK OF COMMERCE DIVERSITY DOLLAR BOND FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended **March 31, 2020**

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.207457
Launch Date	March 11, 2005	Total Fund NAV	USD 344,879.03
Minimum Investment/ Maintaining Participation	USD 1,000	Dealing Day	11:30 AM
Minimum Additional	USD 100	Redemption Settlement	T + 1
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*			
*TRUSTEE FEE: 1.00% p.a.	CUSTODIAN FEE: 0.02% p.a.	*EXTERNAL AUDITOR FEE: 0.0444% of Total External Audit Fee of TSG KPMG Audit	OTHER FEES: N/A
*based on the Net Asset value (NAV) accrued daily	of the Face Value of Bonds Deutsche Bank	*based 2019 External Audit Fee	N/A

INVESTMENT OBJECTIVE & STRATEGY
The Fund intends to achieve for its participants total returns consisting of current income and capital growth. The fund aims to achieve a rate of return higher than the bid price of 10-year Republic of the Philippines (ROP) Bonds from Bloomberg Generic (BGN) at the start of the quarter.

CLIENT SUITABILITY
The Bank of Commerce Diversity Dollar Bond Fund is suitable only for investors who:

- Have a MODERATE risk profile
- With an investment horizon of more than 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.

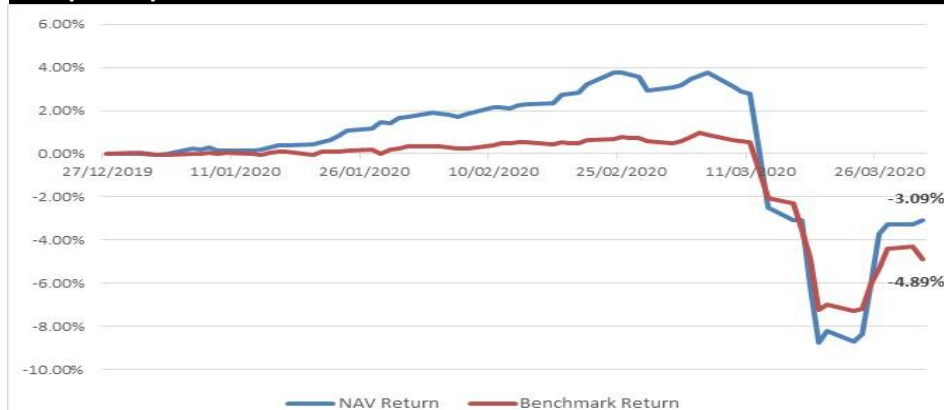
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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
Tel No. 7 214-8800; Fax: 477-5552

FUND PERFORMANCE AND STATISTICS AS OF 03/31/20
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

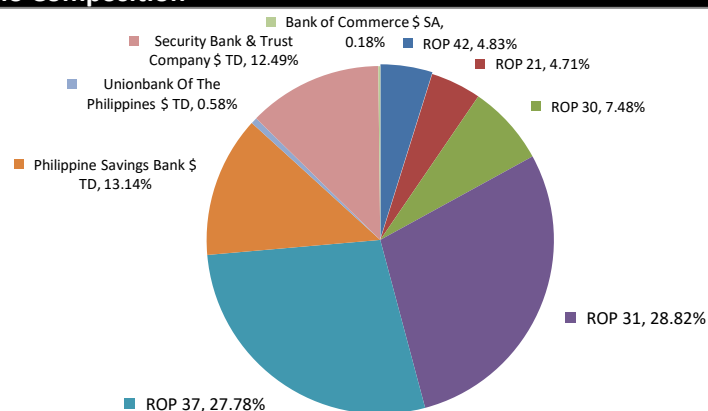


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-5.8593%	-3.0899%	-3.6678%	3.7897%	9.8047%
Benchmark	-6.4430%	-5.8914%	-6.9049%	-5.4918%	-11.8099%

*Benchmark is bid price of 10-Year ROP Bonds

Portfolio Composition



NAVpu over the past 12 months

Highest	2.363711
Lowest	2.078760

Statistics

Wtd. Ave. Duration	6.89
Volatility*	0.85%
Sharpe Ratio**	0.92
Information Ratio***	1.50

*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
ROP 31	28.82%
ROP 37	27.78%
Philippine Savings Bank \$ TD	13.14%
Security Bank & Trust Company \$ TD	12.49%
ROP 30	7.48%
ROP 42	4.83%
ROP 21	4.71%
Unionbank Of The Philippines \$ TD	0.58%
Bank of Commerce \$ SA	0.18%
TOTAL	100.00%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has deposit with Bank proper amounting to US\$621.35 which is 0.18% 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

Last March 15, the Federal Reserve made another emergency cut to interest rates slashing the federal funds rate by 1.00 percent to a range of 0-0.25 percent. The Fed is trying to stay ahead of disruptions and economic slowdown caused by the rapidly spreading coronavirus. In addition, US Senators and the Trump administration reached a deal on the US\$2 trillion stimulus package to mitigate the economic blows brought by COVID-19. The package includes direct payments of up to US\$1,200 to millions of families, US\$367 billion to help small businesses and US\$ 500 billion to assist troubled industries. Market reacts as the yield of the benchmark 10-year US Treasury increased by 2 bps and ended at 0.87%.

Last March 25, the Philippine peso opened lower at Php50.850 from previous close of Php50.900. Traded to a low of Php50.800 as BSP cuts the reserve requirement ratio by 200 bps to infuse more funds into the economy and following oil price gains.

The following are the fund's strategy and considerations:

1. The fund is invested in long duration dollar bonds and high yielding time deposits.
2. It will retain the current portfolio profile and investment strategy as global markets remain volatile and the market sentiment on the rate cuts made by the FED.