



BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended **June 30, 2020**

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.622575
Launch Date	April 8, 2015	Total Fund NAV	PHP 20,628,243.68
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 based on the Net Asset Value (NAV) accrued daily	CUSTODIAN FEE: Php100 per transaction PDTC	*EXTERNAL AUDITOR FEE: 0.0614% of Total External Audit Fee of TSG KPMG Audit <i>*based 2019 External Audit Fee</i>	OTHER FEES: 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.

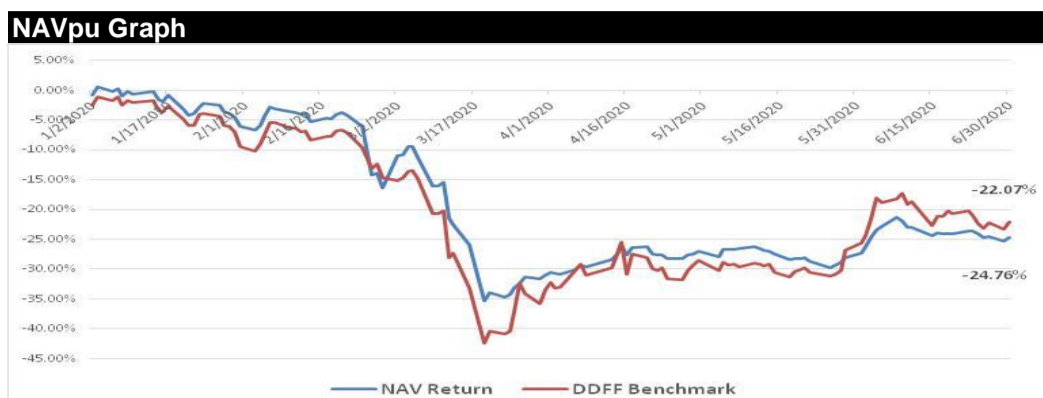
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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 06/30/20
(Purely for reference purposes and is not a guarantee of future results)



NAVpu over the past 12 months	
Highest	0.888553
Lowest	0.534923

Statistics	
Wtd. Ave. Duration	N/A
Volatility*	11.22%
Sharpe Ratio**	1.56
Information Ratio***	1.33

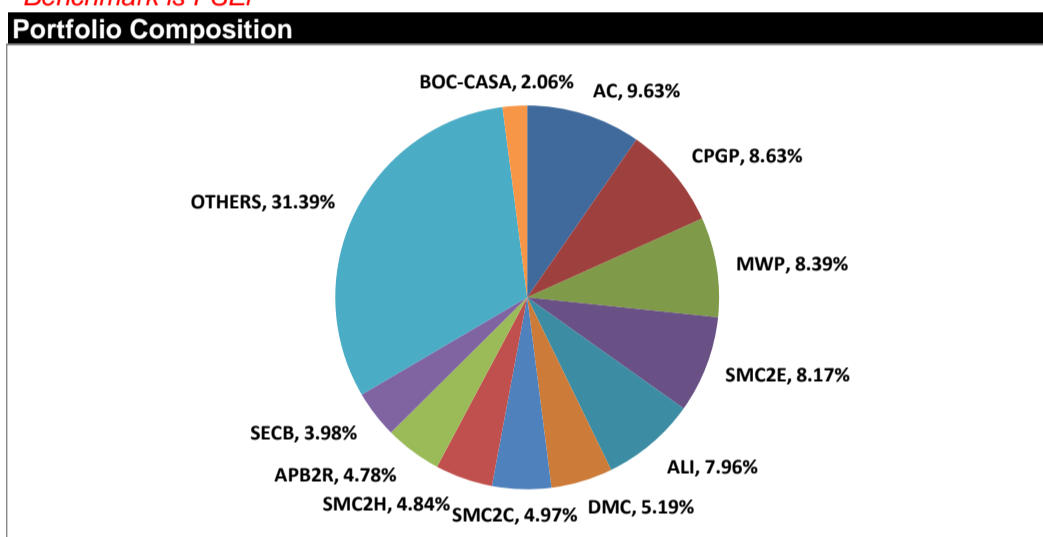
*Volatility measures the degree to which the Fund fluctuates vis-avis its average return over a period of time.

**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.

Period	1mo	3mos	6mos	1yr	3yrs
Fund	4.69%	8.97%	-24.76%	-26.81%	-34.64%
Benchmark	6.32%	16.66%	-20.57%	-22.40%	-20.85%

*Benchmark is PSEi



Top Ten Holdings (%)	
AC	9.63%
CPGP	8.63%
MWP	8.39%
SMC2E	8.17%
ALI	7.96%
DMC	5.19%
SMC2C	4.97%
SMC2H	4.84%
APB2R	4.78%
SECB	3.98%
OTHERS	31.39%
BOC-CASA	2.06%
TOTAL	100.00%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper amounting to Php 433,764.46 which is 2.06% 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 (PSEi) was up by 16.7% in the second quarter, with most of the gains happening in June as Metro Manila shifted into a General Community Quarantine. The third quarter will be an important crossroad for the economy as the events within these three months will dictate the economy's path to recovery. The key factor for this quarter is the successful passage of a definitive fiscal stimulus package within this July or August. But this is yet to be seen, considering the current gridlock between the views of the Department of Finance and the Congress. Given implications of the upcoming release of GDP data and corporate earnings for the second quarter, volatility may continue to persist in the PH equity markets. The liquidity from the coordinated monetary easing across Central Banks is fortunately providing some support to the markets. (source: ATRAM)

On the technical aspect, the PSEi closed the second quarter at 6,207.72. The year to date performance is around -20.57%. Supports are identified at 6,243.63 & 5,446.48 while the resistance levels are at 6,361.74 & 6,583.84.

The following are the fund's considerations and strategy:

1. After considering the effect and further impact of the COVID-19, the fund has done portfolio rebalancing which is a shift to 60% Common Shares and 40% Preferred Shares mix to manage the high volatility of the market.
2. The fund will adopt a well-diversified equity selection with preference to index issues with consistent historical dividend payments, strong fundamentals and with less impact to business brought by the COVID-19 pandemic.
3. Maintain exposures to high-yielding and highly tradeable issues for liquidity requirements.