



BANK OF COMMERCE – TRUST SERVICES GROUP

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

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

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.605622
Launch Date	April 8, 2015	Total Fund NAV	PHP 20,106,362.74
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 *based 2019 External Audit Fee	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 AGGRESIVE 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.

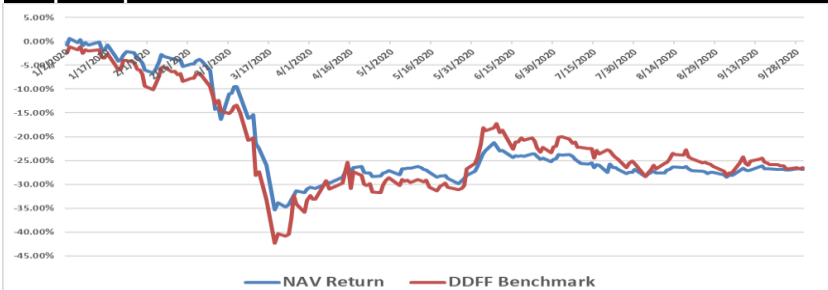
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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 09/30/20
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

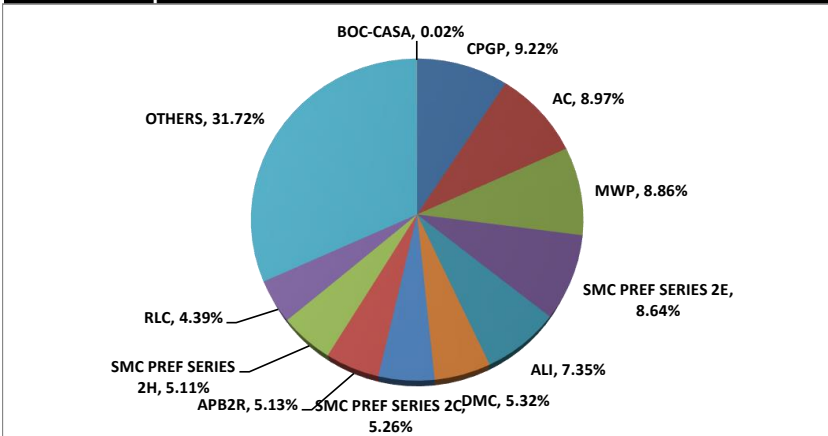


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.91%	-2.72%	6.00%	-27.17%	-38.66%
Benchmark	-0.34%	-5.53%	10.20%	-24.62%	-28.23%

*Benchmark is PSEI

Portfolio Composition



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper amounting to Php 4,945.46 which is 0.02% 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

Last September 30, Philippine shares nudged higher as investors realigned their portfolios for quarter-end reporting, while fresh local coronavirus cases were reported at a nine-day low. Despite foreign outflow extending to fourteen sessions and concerns over a prolonged economic recovery, the PCOMP traded in the green all session, finishing to add a moderate +22.63pts, +0.39%, and settle at 5864.23pts. Property +1.58% and Mining & Oil +0.61% led counter gains while Financials -0.73% and Mining & Oil -0.46% retreated. Value turnover registered at Php5.48bn (USD112.95mn) while 1.07bn shares changed hands. Overall market breadth was negative with 98 decliners leading 91 advancers, leaving 49 unchanged. Foreign investors sold a net Php585.58mn (USD12.08mn) on 37% participation. (source: SB Equities)

On the technical aspect as of September 23, the PCOMP year to date performance is -24.60% and month to date is +0.15%. Supports are identified at 5,864.88 & 5,658.32 while the resistance levels are at 5,947.81 & 6,161.79. Based on analyst PSEI expectations and valuations, consensus growth is +25%, 6,500 level (14x 2021 EPS) as base case, 5,600 level (12x 2021 EPS) as worst case and 8,400 level (18x 2021 EPS) as best case.

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.

NAVpu over the past 12 months

Highest	0.857880
Lowest	0.534923

Statistics

Wtd. Ave. Duration	N/A
Volatility*	10.05%
Sharpe Ratio**	0.14
Information Ratio***	(0.13)

*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 (%)

CPGP	9.22%
AC	8.97%
MWP	8.86%
SMC PREF SERIES 2E	8.64%
ALI	7.35%
DMC	5.32%
SMC PREF SERIES 2C	5.26%
APB2R	5.13%
SMC PREF SERIES 2H	5.11%
RLC	4.39%
OTHERS	31.72%
BOC-CASA	0.02%
TOTAL	100.00%

Note: Percentage (%) of holdings is based on market values.