



BANK OF COMMERCE – TRUST SERVICES GROUP

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

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

FUND FACTS			
Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.695784
Launch Date	April 8, 2015	Total Fund NAV	PHP 23,063,653.52
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% of	OTHER FEES: N/A
based on the Net Asset Value (NAV)	Php100 per transaction	Total External Audit Fee of TSG	N/A
accrued daily	PDTC	KPMG Audit	
		*based 2019 External Audit Fee	

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.

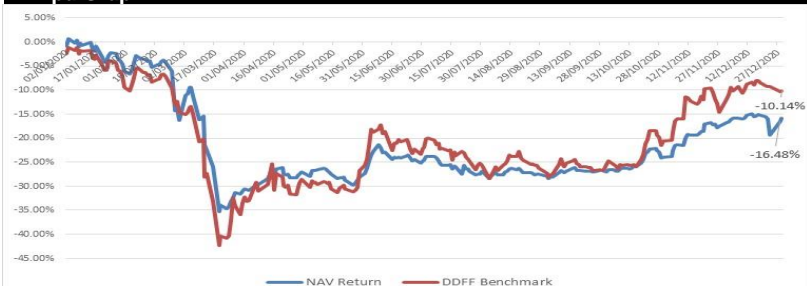
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- | |
|---|
| <ul style="list-style-type: none"> • 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 12/31/20
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

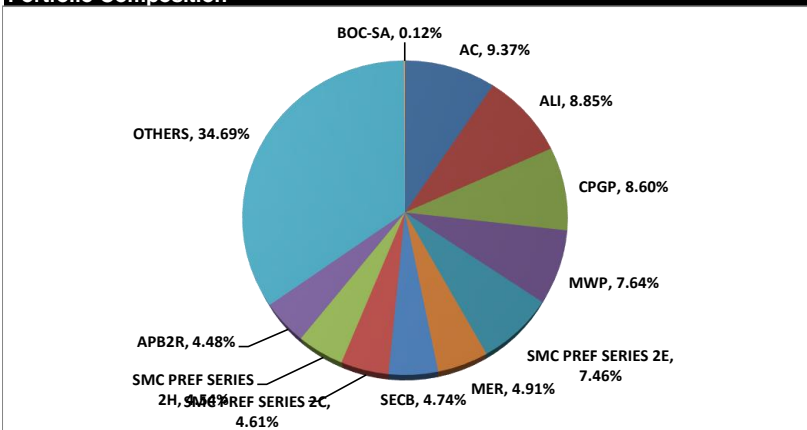


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	1.92%	14.90%	11.77%	-15.91%	-28.36%
Benchmark	5.13%	21.75%	15.01%	-8.64%	-16.58%

*Benchmark is PSEI

Portfolio Composition



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper amounting to Php 26,633.53 which is 0.12% 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 PCOMP (-8.6%) ended the year 2020 in red amid the economic disruptions caused by the COVID-19 pandemic closing at 7,139.71. It was still a 57% recovery from the bottom level of year 2020 amid lack of foreign participation. For December 2020, the local bourse rallied 5.13% mom largely due to market optimism towards vaccine-related developments and initial vaccine rollout in developed economies. On January 19, Philippine shares recovered from early losses to finish flat, bucking the regional upturn amid concerns over rising new local coronavirus cases. With foreign outflows extending to three days, the PCOMP extended its dip from the open and fell as much as -1.12%, finishing to slip a marginal -4.99pts (-0.07%), and settled at 7,198.45pts. Foreign investors sold a net Php1.21bn (USD25.17mn) on 32% participation. On the technical aspect as of January 19, 2021, the PCOMP year to date performance is +0.82% and month to date performance is +0.82%. Supports are identified at 7,168.00 and 6,874.93 while the resistance levels are at 7,290.80 and 7,629.52.

Forecast/Outlook: Liquidity-driven gains could continue as US/global stock markets breached above end-2019 levels recently. Target of 8,000 levels amid near record low bond yields, excess market liquidity/QE. Deployment of COVID-19 vaccines to help reduce new COVID-19 local cases and justify additional measures to re-open the economy (Metro Manila's GCQ since Jun. 2020; to MGCQ). FOMC officials signaled Fed Funds Rate to remain at 0% for the next 3 years; prompting the search for higher returns to equities, other riskier assets such as Emerging Markets.

The following are the fund's considerations and strategy:

1. After considering the effect and further development 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 retain its portfolio mix and 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. Correction on the Single Entity Limit under Preferred shares exposure will be implemented after the first dividend payment for 2021 or as soon as significant return can be realized to protect the fund level of the account.
4. Maintain exposures to high-yielding and highly tradeable issues for liquidity requirements.

NAVpu over the past 12 months

Highest	0.832899
Lowest	0.534923

Statistics

Wtd. Ave. Duration	N/A
Volatility*	7.84%
Sharpe Ratio**	(0.48)
Information Ratio***	(1.76)

*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 (%)

AC	9.37%
ALI	8.85%
CPGP	8.60%
MWP	7.64%
SMC PREF SERIES 2E	7.46%
MER	4.91%
SECB	4.74%
SMC PREF SERIES 2C	4.61%
SMC PREF SERIES 2H	4.54%
APB2R	4.48%
OTHERS	34.69%
BOC-SA	0.12%
TOTAL	100.00%

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