



BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended **March 31, 2021**

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.658194
Launch Date	April 8, 2015	Total Fund NAV	PHP 22,494,560.13
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: 0.0591% of Total External Audit Fee of TSG	OTHER FEES:	N/A
based on the Net Asset Value (NAV) accrued daily	Php100 per transaction PDTC	KPMG Audit <i>*based 2020 External Audit Fee</i>		N/A

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.

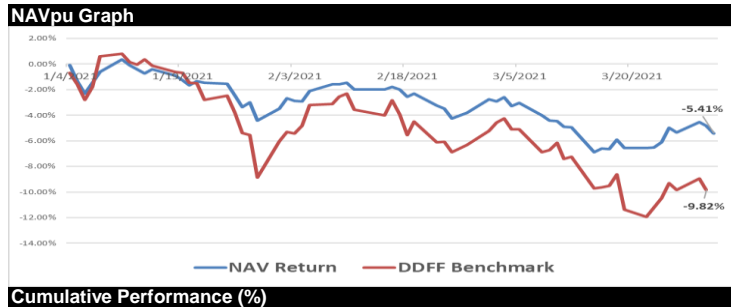
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.

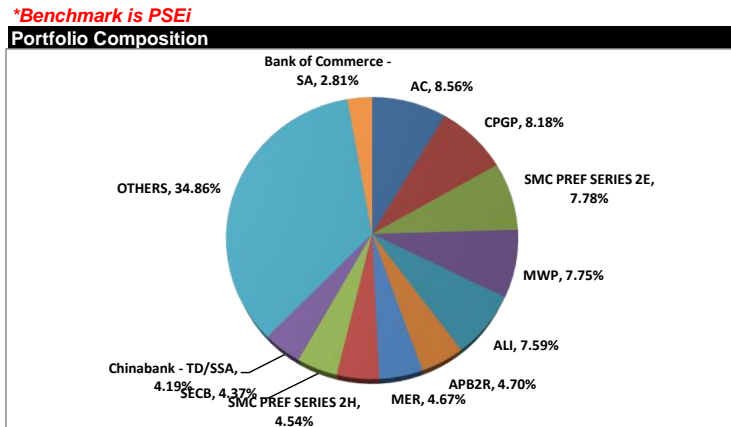
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FUND PERFORMANCE AND STATISTICS AS OF 03/31/21
(Purely for reference purposes and is not a guarantee of future results)



Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-1.66%	-5.41%	8.68%	15.20%	-28.01%
Benchmark	-5.18%	-9.76%	9.87%	21.08%	-19.26%



NAVpu over the past 12 months

Highest	0.703291
Lowest	0.571343

Statistics

Wtd. Ave. Duration	N/A
Volatility*	1.92%
Sharpe Ratio**	1.20
Information Ratio***	3.50

*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 (%)

AC	8.56%
CPGP	8.18%
SMC PREF SERIES 2E	7.78%
MWP	7.75%
ALI	7.59%
APB2R	4.70%
MER	4.67%
SMC PREF SERIES 2H	4.54%
SECB	4.37%
Chinabank - TD/SSA	4.19%
OTHERS	34.86%
Bank of Commerce - SA	2.81%
TOTAL	100.00%

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper amounting to Php 633,570.73 which is 2.81% 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 31, 2021, Philippine stocks plunged further as investors de-risked ahead of the Easter break amid a continued surge in coronavirus infections and fears the hard lockdown in the National Capital Region could be extended. While foreign outflow was heavy, the benchmark index trekked gradually lower from a mild positive open, finishing on the day low to lose -102.46pts (-1.57%), and settled at 6,443.09pts. All sectors declined, led by Property (-2.06%) and Financials (-1.82%). Value turnover remained light at Php6.49bn (USD133.90mn) while 2.03bn shares changed hand. Overall market breadth was negative with 113 decliners leading 97 advancers, leaving 50 unchanged. Foreign investors sold a net Php1.70bn (USD34.95mn) on 48% participation, the most in 3 weeks.

On the technical aspect, the PCOMP year to date performance is -9.76%. Supports are identified at 6,431 and 6,325 while the resistance levels are at 6,653 and 6,942.

Forecast/Outlook: In general, investors and brokers has a BUY call in the market. Arrival of substantial number of vaccines in the next 2 months coupled with the faster roll out by the 3Q21 will improve economic outlook and market sentiment. Maintaining 7,500 (19.23x 21PER) index target for the year in line with 10 year mean of 19.5x.

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 liquid/tradeable issues to service redemption requirements.