



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, 2021**

FUND FACTS			
Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.688124
Launch Date	April 8, 2015	Total Fund NAV	PHP 23,517,447.89
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.

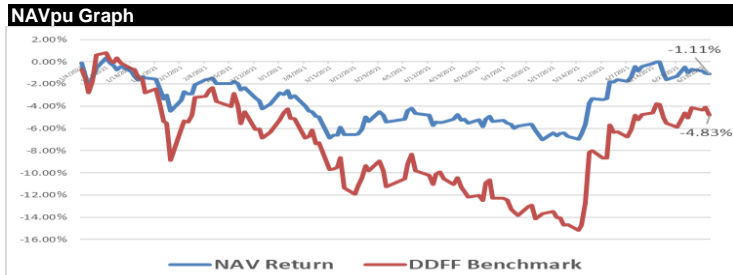
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.

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| <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. |
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For queries, contact us via email at trustmarketing@bankcom.com.ph
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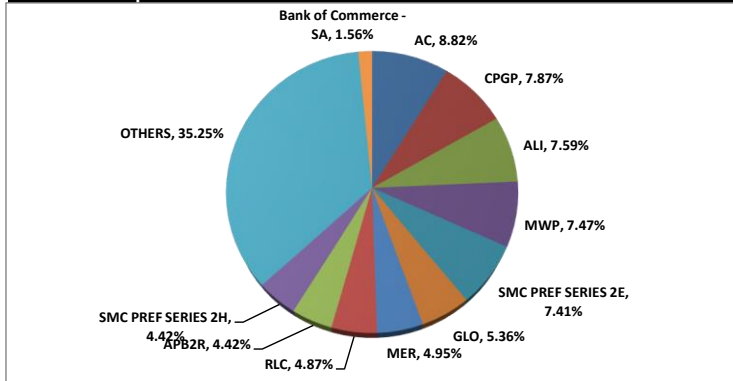
FUND PERFORMANCE AND STATISTICS AS OF 06/30/21
(Purely for reference purposes and is not a guarantee of future results)



Period	1mo	3mos	6mos	1yr	3yrs
Fund	2.39%	4.55%	-1.11%	10.53%	-17.51%
Benchmark	4.12%	7.12%	-3.33%	11.18%	-4.06%

*Benchmark is PSEI

Portfolio Composition



NAVpu over the past 12 months	
Highest	0.703291
Lowest	0.571343

Statistics	
Wtd. Ave. Duration	N/A
Volatility*	2.14%
Sharpe Ratio**	1.59
Information Ratio***	1.56

*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	8.82%
CPGP	7.87%
ALI	7.59%
MWP	7.47%
SMC PREF SERIES 2E	7.41%
GLO	5.36%
MER	4.95%
RLC	4.87%
APB2R	4.42%
SMC PREF SERIES 2H	4.42%
OTHERS	35.25%
Bank of Commerce - SA	1.56%
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 370,186.65 which is 1.56% 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

On June 30, Philippine stocks capped off the first half of the year on a dour note, retreating further from resistance at the 7,000 mark on lack of positive drivers while investors also awaited for June domestic manufacturing PMI and May employment data. Following US shares closing at a record, the PSEi traded generally flat within a tight range for the bulk of the day before late selling pressure saw it finish on its lows to lose -54.74pts (-0.79%), and settled at 6,901.91pts. The counters were mixed with Property (-1.75%), Conglomerates (-0.93%), and Financials (-0.86%) pulling back while Mining & Oil (+0.92%), Services (+0.50%), and Industrials (+0.03%) outperformed. Value turnover remained weak at Php6.38bn (USD130.86mn) while 1.85bn shares changed hands. Overall market breadth was negative with 109 decliners leading 94 advancers, leaving 47 unchanged. Foreign investors sold a net Php730.73mn (USD14.99mn) on 38% participation.

On the technical aspect based on June 30 chart, the PCOMP year to date performance is -3.33%. Supports are identified at 6,805.18 and 6,602.04 while the resistance levels are at 6,918.77 and 7,150.68.

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.

Fund Strategy and Considerations

The Diversity Dividend Focused Fund (DDFF) has maintained the investment strategies based on the continuing threats/risk coming from COVID-19 pandemic to the financial markets. Considering the effect, further development of COVID-19 variants and daily cases and delays on vaccination roll out program, the fund retained the portfolio mix of 60% common shares and 40% preferred shares mix to manage the high volatility of the stock market. In addition, the fund continuously adopt a well-diversified equity selection with preference to index issues wuth consistent dividend payments, strong fundamentals and with less impact to business brought by the COVID-19 pandemic. Lastly, the fund consistently aims to maintain exposures to high-yielding and highly tradeable issues for liquidity requirements. For the 2H 2021, on the back of positive outlook, improving vaccination roll-out programs, easing of mobility restrictions and recovery target plans of the economy, the fund considers slowly shifting to a 70% common shares and 30% preferred shares target mix. The rebalancing strategy will include realizing of gains from existing preferred share holdings and deploying the generated liquidity to high quality/value and dividend paying stock names. The fund will ride the recovery retracement of the stock market in which will be beneficial to the fund participants in 12 to 24 months view.