



BANK OF COMMERCE – TRUST SERVICES GROUP

BANK OF COMMERCE DIVERSITY PESO BOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended *March 31, 2021*

FUND FACTS			
Classification	Long Term Peso Bond Fund	Net Asset Value per unit (NAVpu)	1.704183
Launch Date	March 10, 2005	Total Fund NAV	PHP 5,855,128.70
Minimum Investment/Maintaining Participation	PhP 10,000.00	Dealing Day	11:30 AM
Minimum Additional	PhP 5,000.00	Redemption Settlement	T + 1
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*			
*TRUSTEE FEE: 1.00% per annum	CUSTODIAN FEE: 0.52% of the NROSS Fee for the Quarter	*EXTERNAL AUDITOR FEE: 0.0137% of Total External Audit Fee of TSG	OTHER FEES: 0.00%
*based on the Net Asset Value (NAV) accrued daily	*Portion/Percentage of Php15,000 for the quarter Bureau of Treasury	KPMG Audit <i>*based 2020 External Audit Fee</i>	N/A

INVESTMENT OBJECTIVE & STRATEGY

The Fund intends to achieve for its participants total returns consisting of current income and capital growth. The Fund aims to achieve a rate of return higher than the 5-year yield based on the PHP BVAL Rate.

CLIENT SUITABILITY

The Bank of Commerce Diversity Peso Bond Fund is suitable only for investors who:

- Have a MODERATE 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.

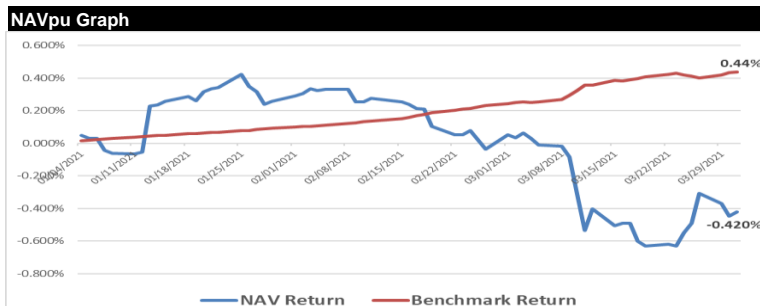
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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 03/31/21
(Purely for reference purposes and is not a guarantee of future results)

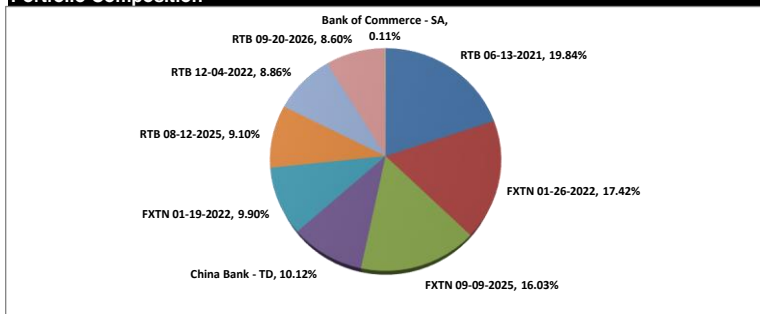


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	*3yrs
Fund	-0.3858%	-0.4204%	0.0620%	6.6106%	12.0208%
Benchmark	1.4216%	1.0024%	1.1864%	2.6768%	3.1922%

*Benchmark is the 5-year yield based on PHP BVAL Rate and *PDST R-2 (for 3yr Cumulative Performance only)

Portfolio Composition



NAVpu over the past 12 months

Highest	1.719108
Lowest	1.598512

Statistics

Wtd. Ave. Duration	1.85
Volatility*	0.08%
Sharpe Ratio**	(0.44)
Information Ratio***	(1.92)

*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 (%)

Holdings	Weight
RTB 06-13-2021	19.84%
FXTN 01-26-2022	17.42%
FXTN 09-09-2025	16.03%
China Bank - TD	10.12%
FXTN 01-19-2022	9.90%
RTB 08-12-2025	9.10%
RTB 12-04-2022	8.86%
RTB 09-20-2026	8.60%
Bank of Commerce - SA	0.11%
TOTAL	100.00%

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has deposit with Bank proper amounting to Php 6,127.35 or 0.11% 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

Financial intelligence company, Moody's Analytics, said the Bangko Sentral ng Pilipinas (BSP) is not expected to move the policy rate this month but if the rise in new COVID-19 cases continue, it could cut benchmark rate in the second quarter this year. But, they expect that the central bank will opt to preserve ammunition for now and stall a rate cut until the next quarter if the domestic situation deteriorates. While most economists expect the BSP to remain on hold for the rest of 2021 after its last November 19 cut to two percent interest rate on its overnight reverse repurchase facility (RRP) which is the lowest rate on record, Moody's said the increasing spread of the more infectious COVID-19 variants such as the UK and South African variants are alarming.

On the other hand, headline inflation in the Philippines eased to 4.5 percent in March 2021, after five consecutive months of acceleration. This brings the average inflation of the country for the first quarter of 2021 at 4.5 percent. In February 2021, inflation was recorded at 4.7 percent and in March 2020, 2.5 percent. According to BSP Gov. Diokno, headline inflation will likely ease to within the target range by the second half, adding that monetary policy response would not be needed as risks arise from the supply side. The central bank expects inflation to average 4% this year, much quicker than 2.6% in 2019. By 2022, they expect average inflation to ease at 2.7%. In addition, BSP Gov. Diokno reiterated again that there is no need to raise policy rates at the moment.

The following are the fund's strategy and considerations:

1. The fund's strategy considered positioning in IPO offering/ Secondary Market competitive rates for its maturing investments/liquidity.
2. For those with favorable return, the fund considers selling security holdings to realize gains and to renew with better yield to maturity and coupon rate instruments.