



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, 2022**

FUND FACTS			
Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.722563
Launch Date	April 8, 2015	Total Fund NAV	PHP 20,877,609.04
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: 0.0388% 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 2021 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.

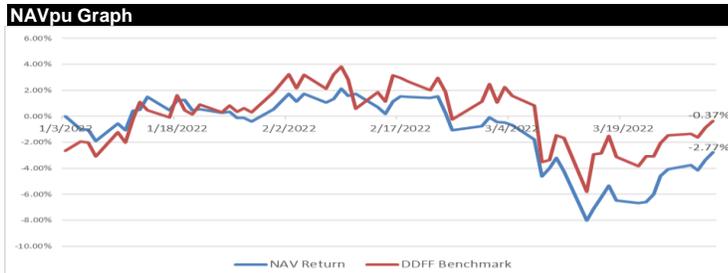
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.

For queries, contact us via email at trustmarketing@bankcom.com.ph
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FUND PERFORMANCE AND STATISTICS AS OF 03/31/22
(Purely for reference purposes and is not a guarantee of future results)

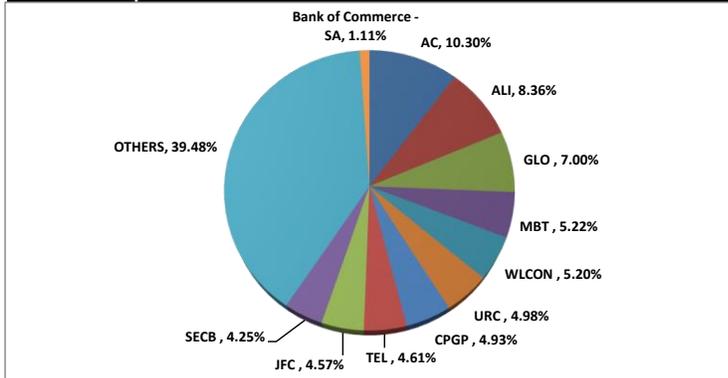


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-2.02%	-2.77%	4.65%	9.78%	-16.62%
Benchmark	-2.97%	-0.37%	2.10%	10.30%	-10.56%

*Benchmark is PSEI

Portfolio Composition



NAVpu over the past 12 months

Highest	0.765320
Lowest	0.646827

Statistics

Wtd. Ave. Duration	N/A
Volatility*	2.77%
Sharpe Ratio**	(0.85)
Information Ratio***	(1.66)

*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	10.30%
ALI	8.36%
GLO	7.00%
MBT	5.22%
WLCON	5.20%
URC	4.98%
CPGP	4.93%
TEL	4.61%
JFC	4.57%
SECB	4.25%
OTHERS	39.48%
Bank of Commerce - SA	1.11%
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 231,248.04 which is 1.11% 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

The local market fell for the month of March as the escalating tension in Ukraine sent oil prices to the roof. The index even plunged to an intra-day low of 6,638 by the middle of the month, after international benchmark Brent oil leaped to a high of US\$139, its highest since 2008. Investors sold down shares, fearing the uncertain inflation outlook would hurt consumer spending and corporate earnings. U.S. import ban on Russian oil on continued economic sanctions compounded by United Kingdom's plans to phase out its reliance on Russian oil imports by the end of the year provided an additional boost to oil prices. Nonetheless, the market was able to regain strength after oil prices consequently retreated back near US\$100/bbl amid talks of increase in supply from oil producing economies. Meanwhile, it's been a big trading move for US stocks as buyers showed positivity after the Federal Reserve raised rates for the first time since 2018. The Fed, as anticipated, raised the US policy rates by 25 bps and also penciled hikes on each of the six remaining meetings this year, pointing to a consensus funds rate of 1.9% by year end. While the Fed tightened policy and warned of numerous additional hikes this year, US stock prices have continued to punch higher as market participants are betting on a soft landing in the US economy. The sharp rebound in Wall Street aided the strength in local shares as the index rallied above the 7,100 mark. Although the general sentiment remained cautious, confidence improved with the progress of peace talks between Russia and Ukraine. Month-on-month, the PSEI declined 1.5% to 7,203.5. On the technical aspect, the PSEI supports are identified at 7,088.91 and 6,727.68 while the resistance levels are at 7203.47 and 7,440.91.

Forecast/Outlook: On the local front, the outlook of higher inflation in the coming months could compel the monetary board to have preemptive interest rate hikes, compounded by expectations of further weakness in local currency will carry on to drag sentiment. Market reckons the impact of these factors could be felt in the near-term will extend the index range trading (6,800-7,100) with volume remaining shallow as investors will proceed to hold off aggressive positioning. For 2022, in consideration of upside risks and economic reopening, market analysts projected the PSEI within the range of 7,800 to 8,100 which is around 17x to 18x PE. The EPS growth is projected around 35% to 40%. This projection will give the PSEI an upside of 13% to 15%.

Fund Strategy and Considerations

For 1H2022, on the back of a positive outlook, re-opening of economy, easing of mobility restrictions, the impact of the election on GDP, and recovery target plans of the economy, the fund considers slowly shifting to 70% common shares and 30% preferred shares and REITs target mix if the opportunity arises. The rebalancing strategy will include the realization of gains from existing shareholdings and deploying the generated liquidity to high quality/value and dividend-paying stock names. The fund aims to ride the recovery of the stock market which will be beneficial to the fund participants in 12- to 24-month view. 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 less impact on business brought by the COVID-19 pandemic and oil price volatility due to the Russia-Ukraine war. Lastly, the fund will maintain exposures to high-yielding and highly tradeable issues for liquidity requirements.