

**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, 2022*

FUND FACTS			
Classification	Long Term Peso Bond Fund	Net Asset Value per unit (NAVpu)	1.708158
Launch Date	March 10, 2005	Total Fund NAV	PHP 5,782,616.92
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: 0.41% of the NROSS Fee for the Quarter	*EXTERNAL AUDITOR FEE: 0.0092% 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 *based 2021 External Audit Fee	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.

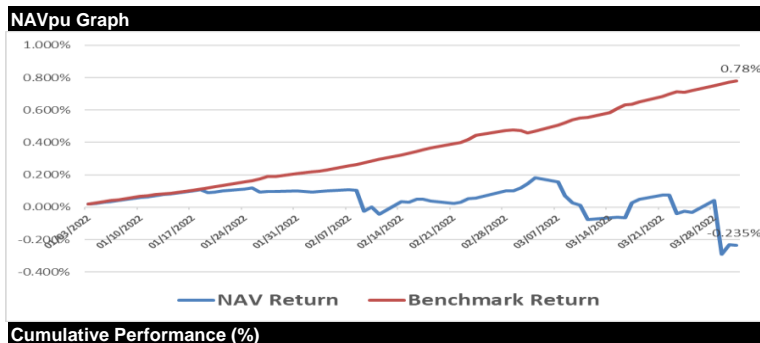
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.

- 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. 7214-8800; Fax: 477-5552

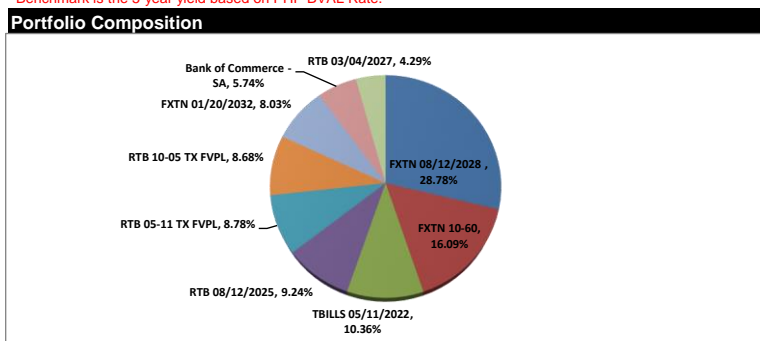
FUND PERFORMANCE AND STATISTICS AS OF 03/31/22
(Purely for reference purposes and is not a guarantee of future results)



Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-0.3369%	-0.2353%	-0.2211%	0.2332%	9.4458%
Benchmark	2.8852%	2.3573%	1.5912%	1.7158%	3.5016%

*Benchmark is the 5-year yield based on PHP BVAL Rate.



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has deposit with Bank proper amounting to Php 332,181.66 or 5.74% 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

At its March 24 meeting on monetary policy, the Monetary Board decided to maintain the interest rate on the BSP's overnight reverse repurchase facility at 2.0 percent. The interest rates on the overnight deposit and lending facilities were likewise kept at 1.5 percent and 2.5 percent, respectively. The Monetary Board further observed that domestic economic activity has gained stronger traction with the easing of remaining mobility restrictions. However, heightened geopolitical tensions and a resurgence in COVID-19 infections in some countries have also clouded the outlook for global economic growth. Supply-chain disruptions could also contribute to inflationary pressures, and thus warrant closer monitoring to enable timely intervention in order to arrest potential second-round effects. Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said they would only consider increasing interest rates by the second half. The forecast of economic analysts is that the BSP is likely to hike as early as the third quarter because that's when the economy is expected to return to pre-pandemic levels as well. This would be the most important factor determining the timing of the first rate hike by the BSP. The market continues to expect policy tightening to materialize in the second half of 2022, but a cumulative 75 basis points (bps) of rate hikes could be done versus the previous estimate of 50 bps. Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said they would only consider increasing interest rates by the second half. The Monetary Board's next rate setting meeting is on May 19, while its first review in the third quarter is on Aug. 18.

Meanwhile, the country's headline inflation accelerated to 4.0 percent in March 2022, from 3.0 percent in February 2022. This brings the national average inflation from January to March 2022 at 3.4 percent. In March 2021, inflation was higher at 4.1 percent. BSP's latest baseline forecasts have increased, reflecting the impact of higher global commodity prices. Average inflation can breach the 2-4% range at 4.3% in 2022. Nevertheless, average inflation is projected to decline and settle within the target band in 2023.

Fund Strategy and Considerations

With the outlook of increasing interest rates, the fund considers positioning in short-tenor securities to have room for rebalancing once the rate hikes materialize and yields start to normalize. The fund's strategy considered positioning in IPO offering competitive rates for its maturing investments and available liquidity. The fund is the most defensive among market peers. However, it is experiencing impact coming from the upward movement of yields both for local and global bond markets which are in line with the US FED tapering plans. For the marketing side, push for the additional contribution to have deployments on rebalancing the return.

NAVpu over the past 12 months

Highest	1.720619
Lowest	1.702147

Statistics

Wtd. Ave. Duration	3.89
Volatility*	0.06%
Sharpe Ratio**	(1.11)
Information Ratio***	(3.51)

*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
FXTN 08/12/2028	28.78%
FXTN 10-60	16.09%
TBILLS 05/11/2022	10.36%
RTB 08/12/2025	9.24%
RTB 05-11 TX FVPL	8.78%
RTB 10-05 TX FVPL	8.68%
FXTN 01/20/2032	8.03%
Bank of Commerce - SA	5.74%
RTB 03/04/2027	4.29%
TOTAL	100.00%

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