



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, 2022**

FUND FACTS			
Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.629884
Launch Date	April 8, 2015	Total Fund NAV	PHP 17,014,123.42
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.

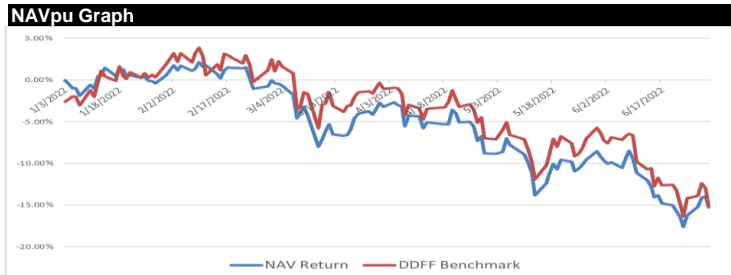
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.

<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.

For queries, contact us via email at trustmarketing@bankcom.com.ph
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FUND PERFORMANCE AND STATISTICS AS OF 06/30/22
(Purely for reference purposes and is not a guarantee of future results)

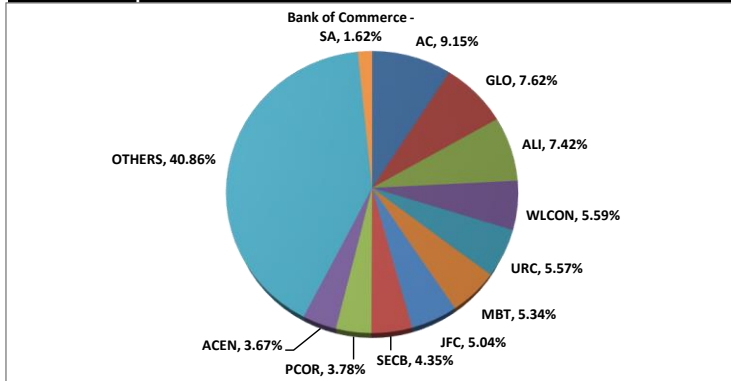


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-6.61%	-12.83%	-15.24%	-8.46%	-25.95%
Benchmark	-10.64%	-16.05%	-15.08%	-12.32%	-24.55%

*Benchmark is PSEI

Portfolio Composition



NAVpu over the past 12 months

Highest	0.765320
Lowest	0.612453

Statistics

Wtd. Ave. Duration	N/A
Volatility*	5.34%
Sharpe Ratio**	(1.37)
Information Ratio***	(0.14)

*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	9.15%
GLO	7.62%
ALI	7.42%
WLCON	5.59%
URC	5.57%
MBT	5.34%
JFC	5.04%
SECB	4.35%
PCOR	3.78%
ACEN	3.67%
OTHERS	40.86%
Bank of Commerce - SA	1.62%
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 277,245.88.04 which is 1.62% 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 Philippine shares slumped for a fourth day on July 15 as the market continued to react to the off-cycle 75bps policy rate increase and the central bank governor saying that he wouldn't rule out another hike in August. With China's weaker-than-expected 2Q22 GDP growth also dampening risk appetite following another weak lead from Wall Street, the PSEi opened lower and proceed to trade in the red all session, plunging by as much as -1.93% intraday before finishing to lose -52.87pts (-0.85%), and settled at 6,195.26pts, down -2.62% for the week. Mining & Oil (-3.19%) led counter losses following the commodity sell-off, followed by Services (-1.93%), Financials (-1.30%), and Property (-1.11%), while Industrial (+0.45%) bucked the downturn. Value turnover remained weak at Php5.64bn (USD100.03mn) while 784.99mn shares changed hands. Foreign investors sold a net Php628.48mn (USD11.14mn) on 42% participation. On the technical aspect, the PSEi year-to-date performance is -13.02%. Supports are identified at 6,161.26 and 5,898.47 while the resistance levels are at 6,392.32 and 6,783.59.

Forecast/Outlook: Given the highly reactive market we prefer a predominantly essentials-driven exposure with some yield plays. Top recovery picks are SM, BDO, and AC while our preferred yield plays are TEL, AREIT and DMC. The revised PSEi target is 7,100 and offers upside of 14.6% based on 6,195.26pts closing.

Fund Strategy and Considerations

For 2H2022, on the back of a positive outlook, re-opening of economy, easing of mobility restrictions, the impact of the recent 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 as the opportunity arises. Strategy and consideration are directed to (a.) 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; (b.) to ride the recovery of the stock market which will be beneficial to the Fund participants with a 12- to 24- month view; (c.) to 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 on business brought by the COVID-19 pandemic and oil price volatility due to the Russia-Ukraine war; and lastly, (d.) to maintain exposures to high-yielding and highly tradeable issues to service liquidity requirements of the Fund.