



BANK OF COMMERCE – TRUST SERVICES GROUP

**BANK OF COMMERCE DIVERSITY MONEY MARKET FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

For the Quarter ended *March 31, 2022*

FUND FACTS			
Classification	Money Market Fund	Net Asset Value per unit (NAVpu)	1.155344
Launch Date	August 16, 2013	Total Fund NAV	PHP 433,303,124.89
Minimum Investment/ Maintaining Participation	Php 10,000.00 / Php5,000.00	Dealing Day	11:30 AM
Minimum Additional	Php 5,000.00	Redemption Settlement	T + 1
Minimum Holding period	7 days	Early Redemption Fee	5% on redeemed amount

FEES*				
TRUSTEE FEE: 0.25% p.a. based on the Net Asset value (NAV) accrued daily	CUSTODIAN FEE: 0.41% of the GROSS Fee for the Quarter	*EXTERNAL AUDITOR FEE: 1.3686% of Total External Audit Fee of TSG	OTHER FEES:	N/A
	*Portion/Percentage of Php15,000 for the quarter	KPMG Audit		N/A
	Bureau of Treasury	*based 2021 External Audit Fee		

INVESTMENT OBJECTIVE & STRATEGY

The Fund intends to maximize income potential with steady return while preserving capital and maintaining adequate liquidity. The Fund shall be invested in a diversified portfolio of peso deposits with minimal price volatility and has a duration of less than one (1) year. These include short-term peso deposits with local banks, including the Bangko Sentral ng Pilipinas, and/or branches of foreign banks operating in the Philippines and Government Securities. The Fund is suitable for individual and institutional investors with a "Conservative" risk profile who prefers low level of risk, favors fixed return and have an investment horizon of less than one (1) year. The Fund aims to achieve a rate of return higher than the Three-month yield based on the PHP BVAL at the start of the quarter.

CLIENT SUITABILITY

The Bank of Commerce Diversity Money Market Fund is suitable only for investors who:

- Have a CONSERVATIVE risk profile
- With an investment horizon of less than one (1) year

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.

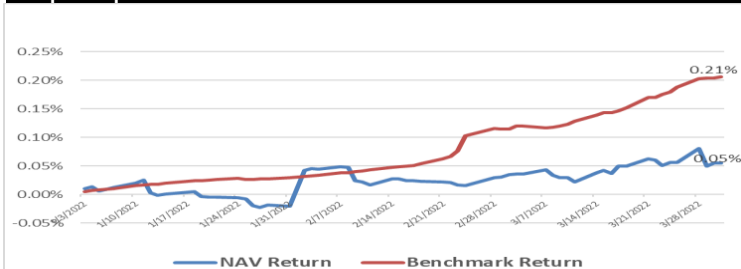
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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)

NAVpu Graph

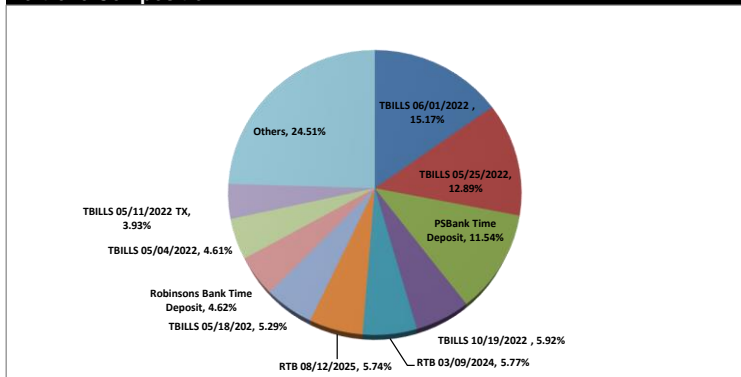


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.0254%	0.0549%	0.4379%	0.9515%	5.6178%
Benchmark	0.7034%	0.6256%	0.6513%	0.7771%	4.3892%

Note: Benchmark is the 3-month yield based on PHP BVAL Rate.

Portfolio Composition



NAVpu over the past 12 months

Highest	1.155638
Lowest	1.143866

Statistics

Wtd. Ave. Duration	0.60
Volatility*	0.01%
Sharpe Ratio**	(1.12)
Information Ratio***	(3.14)

*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 (%)

Holdings	Weight
TBILLS 06/01/2022	15.17%
TBILLS 05/25/2022	12.89%
PSBank Time Deposit	11.54%
TBILLS 10/19/2022	5.92%
RTB 03/09/2024	5.77%
RTB 08/12/2025	5.74%
TBILLS 05/18/202	5.29%
Robinsons Bank Time Deposit	4.62%
TBILLS 05/04/2022	4.61%
TBILLS 05/11/2022 TX	3.93%
Others	24.51%
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 8,877,741.90 which is 2.05% of the funds. 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 country's GDP grew by 5.6% in 2021 from a 9.6% contraction in 2020. At current prices, the 2021 gross domestic product (GDP) was at P19.38 trillion, lower by about 0.7 percent from the 2019 pre-pandemic level of P19.51 trillion. For 2022, economic managers are expecting a 7- to 9-percent economic growth. Meanwhile, the International Monetary Fund (IMF) has slightly hiked its 2022 gross domestic product (GDP) growth forecast for the Philippines to 6.5 percent from 6.3 percent previously, even as it expects headline inflation to hit the upper end of the government's target band of manageable price hikes. For 2023, the IMF expects a GDP expansion of 6.3 percent, within the Philippine government's 6 to 7 percent target for next year. Moving forward, the lender sees 6.5-percent growth in 2027.

On the other hand, 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. The increase in the inflation for indices of food and non-alcoholic beverages at 2.6 percent; housing, water, electricity, gas, and other fuels, 6.2 percent; and transport at 10.3 percent contributed largely to the upward trend of the overall inflation during the month. 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's Strategy and Considerations:

The fund's strategy is to deploy funds in various term and money market instruments without compromising its liquidity feature. The fund shall invest more in Government Securities when the Bank Deposit rates are significantly lower. The fund is experiencing impact coming from the uptrend on yields both for local and global bond space due to the recent 25bps rate hike from US FED and more aggressive rake hike until 2023. It is poised to overweight in 30 to 180-day tenor securities to strategically position given the outlook of elevated inflation due to the Russia-Ukraine war, oil price volatility, and policy rate adjustments locally and globally.