

**BANK OF COMMERCE – TRUST SERVICES GROUP****BANK OF COMMERCE DIVERSITY MONEY MARKET FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT***For the Quarter ended September 30, 2022*

FUND FACTS			
Classification	Money Market Fund	Net Asset Value per unit (NAVpu)	1.161204
Launch Date	August 16, 2013	Total Fund NAV	PHP 395,939,669.57
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: 0.38% 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.

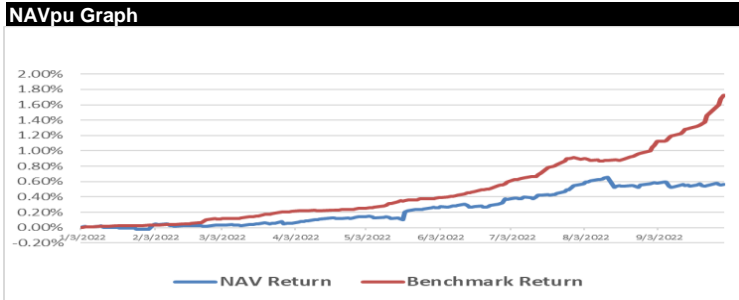
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.

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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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FUND PERFORMANCE AND STATISTICS AS OF 09/30/22
(Purely for reference purposes and is not a guarantee of future results)



NAVpu over the past 12 months	
Highest	1.162385
Lowest	1.150085

Statistics	
Wtd. Ave. Duration	0.63
Volatility*	0.02%
Sharpe Ratio**	(0.98)
Information Ratio***	(5.00)

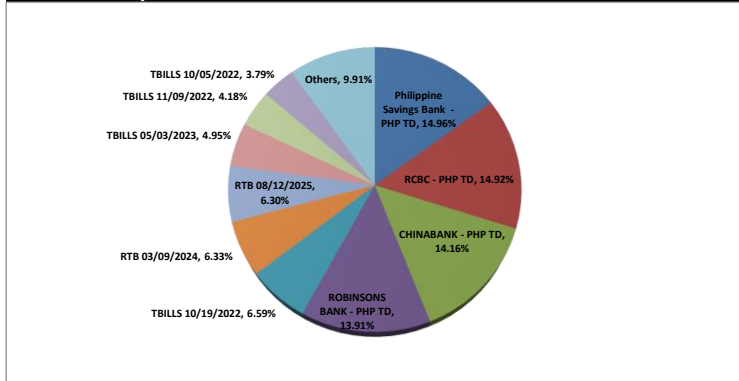
*Volatility measures the degree to which the Fund fluctuates vis-a-vis its average return over a period of time.
**Sharpe ratio is used to characterize how well the return of the Fund compensates the investor for the level of risk taken.
***Information ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-0.0129%	0.1837%	0.5072%	0.9473%	4.1655%
Benchmark	1.5528%	1.1410%	0.8233%	0.6513%	2.2316%

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

Portfolio Composition



Top Ten Holdings (%)

Holdings	Weight
Philippine Savings Bank - PHP TD	14.96%
RCBC - PHP TD	14.92%
CHINABANK - PHP TD	14.16%
ROBINSONS BANK - PHP TD	13.91%
TBILLS 10/19/2022	6.59%
RTB 03/09/2024	6.33%
RTB 08/12/2025	6.30%
TBILLS 05/03/2023	4.95%
TBILLS 11/09/2022	4.18%
TBILLS 10/05/2022	3.79%
Others	9.91%
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 42,727.98 which is 0.01% 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

Inflation averaged 5.1 percent between January and September and continues to exceed the BSP's two to four percent target range. The consumer price index (CPI) quickened its growth to 6.9 percent in September after easing slightly to 6.3 percent in August from 6.4 percent in July. During its meeting last Sept. 22, the BSP raised its inflation forecasts to 5.6 percent instead of 5.4 percent for this year and to 4.1 percent instead of four percent for next year. BSP Governor Felipe Medalla pronounced that the local central bank will consider hiking the policy rates by either 50 or 75 bps in its next meeting on November 17. Governor Medalla also said that the Philippine policy rates "should be at least 100 bps higher" compared to the US policy rates to have "some form of exchange rate stability".

We now expect Bangko Sentral ng Pilipinas (BSP) to hike the policy rate by 50bps in November and 25bps in December, bringing the terminal rate to 5.0%. This is on the back of the recent upward revision to our Fed funds forecast and still-elevated and broad inflation in the Philippines. However, our projected terminal policy rate differential versus the terminal Fed funds rate is now down to 25bps, versus 75bps before. We expect BSP and Fed funds terminal rates at 5.0% and 4.75%, respectively, versus 4.5% and 3.75% previously.

Fund's Strategy and Considerations:

The fund's strategy is to deploy funds in various terms of money market instruments without compromising its liquidity feature. The fund shall invest more in Government Securities when the Bank Deposit rate is significantly lower and vice versa. The fund is experiencing an impact coming from the uptrend on yields both for local and global bond space due to the recent additional 50bps rate hike from BSP and a total 150bps rate hike from US FED and expectation of more aggressive rate normalization activities until the end of 2022 and 1H of 2023. The fund is now positioned to be more exposed to time deposits as rates start to become more attractive than Government Securities. 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.