



BANK OF COMMERCE – TRUST SERVICES GROUP

BANK OF COMMERCE DIVERSITY DOLLAR BOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended *June 30, 2023*

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	1.973067
Launch Date	March 11, 2005	Total Fund NAV	USD 1,257,137.53
Minimum Investment/ Maintaining Participation	USD 1,000	Dealing Day	11:30 AM
Minimum Additional	USD 100	Redemption Settlement	T + 1
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*			
*TRUSTEE FEE: 1.00% p.a.	CUSTODIAN FEE: 0.144% p.a.	*EXTERNAL AUDITOR FEE: 0.0978% of Total External Audit Fee of TSG	OTHER FEES: N/A
*based on the Net Asset value (NAV) accrued daily	of the Face Value of Bonds BankCom - Treasury	KPMG Audit *based 2022 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 bid price of 10-year Republic of the Philippines (ROP) Bonds from Bloomberg Generic (BGN) at the start of the quarter.

CLIENT SUITABILITY

The Bank of Commerce Diversity Dollar Bond Fund is suitable only for investors who:

- Have a **MODERATE** risk profile
- With an investment horizon of more than 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.

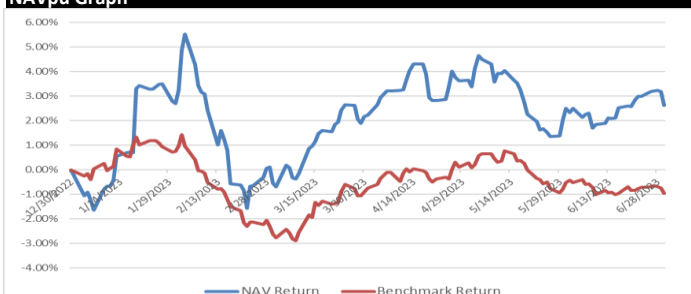
- THE UIT FUND IS NOT A DEPOSIT AND NOT INSURED BY PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES 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 06/30/23
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

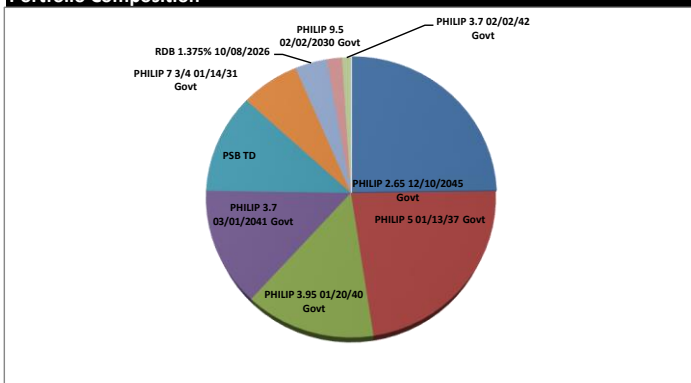


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.14%	0.47%	2.63%	3.32%	-15.15%
Benchmark	-1.63%	-1.14%	-2.16%	-3.20%	-22.13%

*Benchmark is bid price of 10-Year ROP Bonds

Portfolio Composition



NAVpu over the past 12 months

Highest	2.053026
Lowest	1.690549

Statistics

Wtd. Ave. Duration	10.58
Volatility*	0.50%
Sharpe Ratio**	2.07
Information Ratio***	2.92

*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
PHILIP 2.65 12/10/2045 Govt	24.66%
PHILIP 5 01/13/37 Govt	22.67%
PHILIP 3.95 01/20/40 Govt	14.06%
PHILIP 3.7 03/01/2041 Govt	13.45%
PSB TD	11.50%
PHILIP 7 3/4 01/14/31 Govt	6.70%
RDB 1.375% 10/08/2026	3.68%
PHILIP 9.5 02/02/2030 Govt	1.74%
PHILIP 3.7 02/02/42 Govt	1.00%
BankCom - USD SA	0.54%
TOTAL	100.00%

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has savings deposit with Bank proper amounting to US\$ 6,703.33 which is 0.54% of the fund. The said funds is for disposition to Dollar Time Deposit or will serve as liquidity. 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 US Federal Reserve policymakers favours more rate hikes this year, saying July meeting likely to resume raising interest rates to tame the inflation. Though the Fed officials were encouraged by a slide in price pressures in June, but they're don't want to pronounce an end to their battle to rein in inflation that has repeatedly surprised them with its persistence. The robust strength of the labor market and the solid overall performance of the US economy gives FED room to tighten policy further, "Federal Reserve Governor Christopher Waller. Investors have increased bets that the widely anticipated quarter-percentage-point increase at the Fed's July 25-26 meeting will be the central bank's last in this credit tightening cycle. On July 19, the peso continued its decline against the dollar at 54.515 from 54.410 the previous day. Intraday trading ranged from a low of 54.450 to a high of 54.650 while volume jumped to USD1.0489B from USD753.4M the session before. USD/PHP at 54.515 saw the peso depreciate against the dollar on negative sentiment following weak economic growth in China during the second quarter that could affect the rest of the Asian region. The broad strengthening of the US dollar also contributed to the peso's weakness.

Forecast/Outlook : BSP policy rate is now expected at 6.50% by EOY, and GIR remains at very good levels (\$100 bn as of April) which can sustain the BSP target of 54-57 to the dollar.

Fund Strategy and Considerations

With inflation staying elevated and hawkish policy from the Federal Reserve, we expect markets to remain volatile. Funds under this category are experiencing unfavorable returns due to the significant impact on market valuation for dollar-denominated securities brought by the uptrend in yields backed by US FED aggressive rate adjustment plans, high US inflation rate, and oil price volatility. The fund is invested in long-duration dollar bonds and high-yielding time deposits. The fund will retain the current portfolio profile and investment strategy as global markets remain volatile and the market sentiment on additional rate hikes for 2H of 2023. The fund will continue to earn interest income from the ROP investments which should provide little push on NAVPU. Lastly, fresh or additional subscriptions will help in the strategic investment execution of the fund.