



BANK OF COMMERCE – TRUST SERVICES GROUP
BANK OF COMMERCE DIVERSITY DIVIDEND FOCUSED FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended **March 27, 2024**

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.684570	
Launch Date	April 8, 2015	Total Fund NAV	PHP	16,987,306.42
Minimum Investment/Maintaining Participation	PhP 10,000.00	Dealing Day	11:30 AM	
Minimum Additional	PhP 1,000.00	Redemption Settlement	T + 4	
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount	

FEES*

TRUSTEE FEE: 1.50% per annum based on the Net Asset Value (NAV) accrued daily	CUSTODIAN FEE: Php100 per transaction PDTC	*EXTERNAL AUDITOR FEE: Php22,829.23 KPMG Audit *based 2023 External Audit Fee	OTHER FEES: N/A
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INVESTMENT OBJECTIVE & STRATEGY

The Fund intends to achieve for its participants long-term capital growth and dividend income generation. The Fund is suitable to aggressive clients who wants a portfolio which may provide a potential returns on investments from capital appreciation and dividends by investing in equity securities listed in Philippine Stock Exchange and with a track record of dividend payments. The Fund aims to achieve a rate of return higher than a return on investment of PSEi.

CLIENT SUITABILITY

The Bank of Commerce Diversity Dividend Focused Fund is suitable only for investors who:

- Have an **AGGRESSIVE** risk profile who is aware and willing to assume a significantly higher level of risk in consideration of potentially higher return notwithstanding possible volatility of returns and/or possible loss of investment.
- 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.

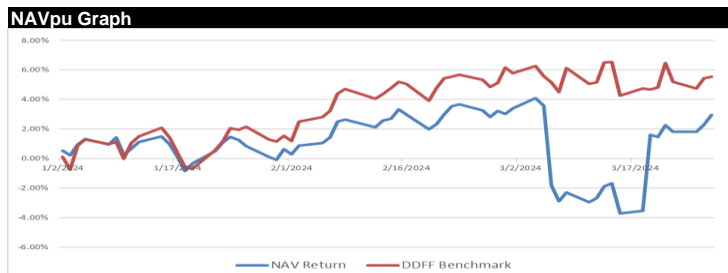
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.

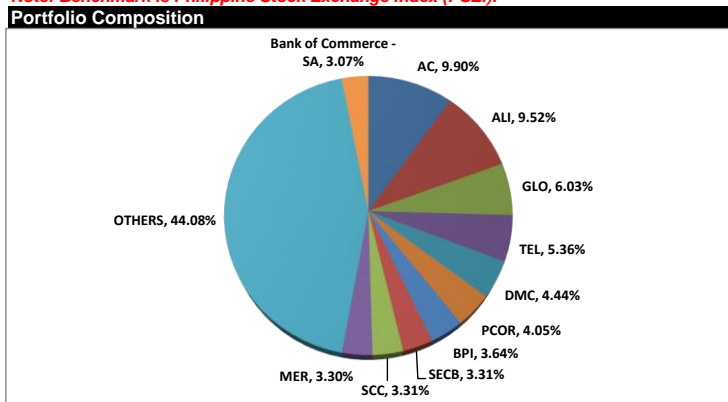
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FUND PERFORMANCE AND STATISTICS AS OF 03/27/24
(Purely for reference purposes and is not a guarantee of future results)



Period	1mo	3mos	6mos	1yr	3yrs
Fund	-0.07%	2.95%	4.27%	3.39%	4.01%
Benchmark	-2.09%	5.53%	7.71%	4.71%	5.65%

Note: Benchmark is Philippine Stock Exchange Index (PSEI).



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper amounting to Php 518,424.53 which is 3.07% 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 the end of first quarter, Philippine benchmark inched up for its second daily uptick amid mixed Asian equities performance as gains in Japan with yen slumping to a 34-year low ran alongside losses in China. It opened lower as US stocks dipped for a third day given end quarter rebalancing, albeit moved sideways intraday until it closed little changed, i.e., +5.36pts (+0.08%), and settled at 6,903.53pts. 1Q2024 performance of the index was +7.03%. On April 23, the Philippine composite stayed in the green for a second session, together with most regional peers on easing of geopolitical risk and expectations of healthy earnings results, as it moved back above the 6,500-mark. It opened higher as the US stock market halted its six-day slump and stayed in positive territory throughout the session, gaining +62.72pts (+0.97%) to settle at 6,506.80pts. Half of sectors advanced more than a percent, namely, Industrial (+1.51%), Property (+1.23%), and Services (+1.19%), followed by Mining & Oil (+0.98%), Financials (+0.62%), and Holding Firms (+0.58%). Turnover amounted to Php5.11bn (USD88.81mn) while 554.76mn shares changed hands. Foreign investors sold a net Php508.35mn (USD8.84mn) on 61% participation. (source: SB Equities)

On the technical aspect, the PSEI year-to-date performance is at 0.88% and month-to-date return is -4.79%. Supports are identified at 6,424.99 and 6,197.75 while the resistance levels are at 6,584.08 and 7,025.27.

Forecast/Outlook: The initial outlook for 2024 PSEI is at 7,000 to 7,800 range or an average of 7,400 level. This is supported by the aim of achieving the 2% to 4% inflation target and 6.5% to 7.5% GDP target of the government by the end of the year. Investors will also seek fresh catalysts to support the uptrend in share prices.

Fund Strategy and Considerations

For 2024, peaking inflation and interest rates are good catalysts for local stocks but will continue to suffer from volatility especially because of the vulnerability to contagion if the United States suffers from recession and a bear market given the FED's aggressive rate hikes since 2022. The fund considers slowly shifting to 80% common shares and 20% preferred shares and REITs target mix if the opportunity arises. The key strategy is stock picking favoring sectors that will potentially perform well this 2024 given the macroeconomic outlooks. The bulk of the upside should come from the conglomerate, property, transport, and consumer sectors. Amid weakness in equity markets, local corporates' profits remained resilient. We point towards conglomerates whose size and liquidity allow them to greatly benefit from improving foreign investor appetite. We are also optimistic about the consumer sector as profitability improves from the combined effect of wage increases and easing cost pressures. Part of the preference is to shift from banks to property with the price action of the two indices since 4Q2023 given the outlook on inflation and policy rates. We look towards value as the valuation of local stocks catches up with the earnings run-up that the market has ignored over the past three years. We prefer stocks with fundamentally driven upside potential and solid average daily turnovers. In addition, we look to load up on undervalued counters that are resilient to upside risks on inflation. The fund will retain its portfolio parameters and diversified equity selection with a preference for index issues with consistent historical dividend payments, strong fundamentals, and less impact on business brought by high inflation, weakness of the Philippine Peso, and oil price volatility due to geopolitical issues. The Fund will maintain exposures to high-yielding and highly tradeable issues for liquidity requirements. Lastly, fresh or additional cash inflow will help in the strategic investment execution of the fund.

NAVpu over the past 12 months	
Highest	0.692264
Lowest	0.631100

Statistics	
Wtd. Ave. Duration	N/A
Volatility*	1.92%
Sharpe Ratio**	(0.93)
Information Ratio***	(1.00)

*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

Top Ten Holdings (%)	
AC	9.90%
ALI	9.52%
GLO	6.03%
TEL	5.36%
DMC	4.44%
PCOR	4.05%
BPI	3.64%
SECB	3.31%
SCC	3.31%
MER	3.30%
OTHERS	44.08%
Bank of Commerce - SA	3.07%
TOTAL	100.00%

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