



BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended *March 27, 2024*

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.001119
Launch Date	March 11, 2005	Total Fund NAV	USD 1,059,642.10
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: USD56.74 for the quarter BankCom - Treasury	*EXTERNAL AUDITOR FEE: Php75,392.72 KPMG Audit *based 2023 External Audit Fee	OTHER FEES: N/A
*based on the Net Asset value (NAV) accrued daily			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.

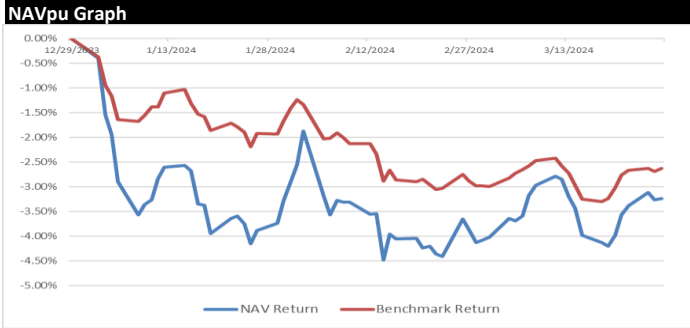
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

<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

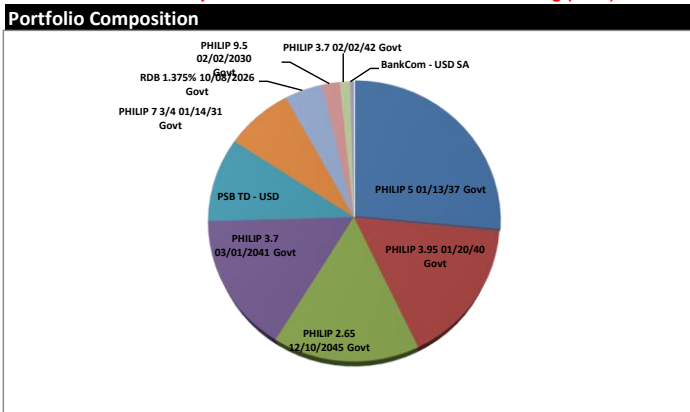
Tel No. 7 214-8800; Fax: 477-5552

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	0.88%	-3.24%	8.07%	1.83%	-12.72%
Benchmark	-0.64%	-3.63%	1.33%	-3.28%	-21.24%

Note: Benchmark is bid price of 10-Year ROP Bonds from Bloomberg (BGN).



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has savings deposit with Bank proper amounting to US\$ 4,568.16 which is 0.44% 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

In the US, treasuries were little changed given the lack of major catalysts last April 22. Markets are looking towards data prints that will shed light on the central bank's rate policy, with GDP and PCE data coming out. Currently, markets are pricing in 1.5 rate cuts before the end of 2024. USTs were mixed with the 2-year at 4.97%, the 10-year at 4.61%, and the long-bond at 4.71%. USD PHP consolidating in the meantime with the market (USD) slightly correcting the previous day and without any fireworks from geopolitics over the weekend. Spot market took a dip down to as low as 57.41 during the middle of the day, which could probably just position recalibration but the momentum just wasn't on the left-hand side (bid) as the spot market slowly recovered back to trade near its intraday high before ending the session at 57.54. Flows were also timid as corporates remained on the sidelines hoping for a much lower entry. We remain biased on dips ahead of 57.35 support with an immediate target towards the gap between 57.65-57.90 before trading to our year-high target at 58/58.30.

Forecast/Outlook : Currently, markets are pricing in 1.5 rate cuts before the end of 2024. The initial forecast for USD/PHP for 2024 is at 54.20-58.00. We expect that the BSP will wait for the US Federal Reserve to initiate rate cuts before easing its policy. According to BSP Governor Remolona, if inflation continues to ease and if economic growth is "not too strong", they may shift to a dovish plot and start to cut rates by the third quarter and that would be no more than 25 basis points this year but if the opposite happens, they would start cutting rates by the first quarter of 2025.

Fund Strategy and Considerations

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 adjustments, high US inflation rate, and oil price volatility. The fund will retain the current portfolio profile and investment strategy as global markets remain volatile and the market sentiment on policy rate pivots for 2024. The fund will continue to earn interest income from the ROP investments which should provide little push on NAVPU. Lastly, any fresh or additional subscriptions will help in the strategic rebalancing investment execution of the fund.

NAVpu over the past 12 months	
Highest	2.068360
Lowest	1.795343

Statistics	
Wtd. Ave. Duration	9.93
Volatility*	0.42%
Sharpe Ratio**	(2.32)
Information Ratio***	(1.10)

*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 5 01/13/37 Govt	26.50%
PHILIP 3.95 01/20/40 Govt	16.46%
PHILIP 2.65 12/10/2045 Govt	15.79%
PHILIP 3.7 03/01/2041 Govt	15.79%
PSB TD - USD	9.75%
PHILIP 7 3/4 01/14/31 Govt	7.75%
RDB 1.375% 10/08/2026 Govt	4.36%
PHILIP 9.5 02/02/2030 Govt	2.00%
PHILIP 3.7 02/02/42 Govt	1.17%
BankCom - USD SA	0.44%
TOTAL	100.00%

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