



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

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

<b>FUND FACTS</b>			
<b>Classification</b>	<b>Equity Fund</b>	<b>Net Asset Value per unit (NAVpu)</b>	<b>0.694254</b>
<b>Launch Date</b>	<b>April 8, 2015</b>	<b>Total Fund NAV</b>	<b>PHP 16,530,132.20</b>
<b>Minimum Investment/Maintaining Participation</b>	<b>PhP 10,000.00</b>	<b>Dealing Day</b>	<b>11:30 AM</b>
<b>Minimum Additional</b>	<b>PhP 1,000.00</b>	<b>Redemption Settlement</b>	<b>T + 4</b>
<b>Minimum Holding period</b>	<b>30 days</b>	<b>Early Redemption Fee</b>	<b>5% on redeemed amount</b>

<b>FEES*</b>			
<b>TRUSTEE FEE: 1.50% per annum</b>	<b>CUSTODIAN FEE:</b>	<b>*EXTERNAL AUDITOR FEE:</b>	<b>OTHER FEES: N/A</b>
<b>based on the Net Asset Value (NAV)</b>	<b>Php100 per transaction</b>	<b>Php41,785.64</b>	<b>N/A</b>
<b>accrued daily</b>	<b>PDTC</b>	<b>KPMG Audit</b>	
		<b>*based 2023 External Audit Fee</b>	

**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.

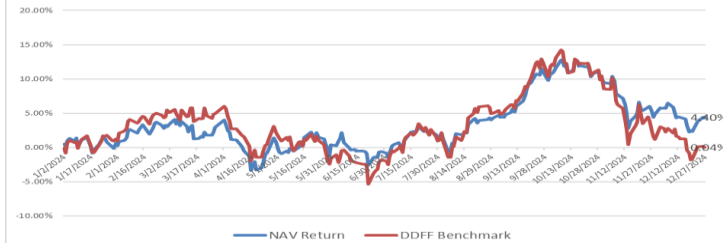
**Country Risk.** The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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.

For queries, contact us via email at [trustmarketing@bankcom.com.ph](mailto:trustmarketing@bankcom.com.ph)  
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**FUND PERFORMANCE AND STATISTICS AS OF 12/27/24**  
(Purely for reference purposes and is not a guarantee of future results)

**NAVpu Graph**

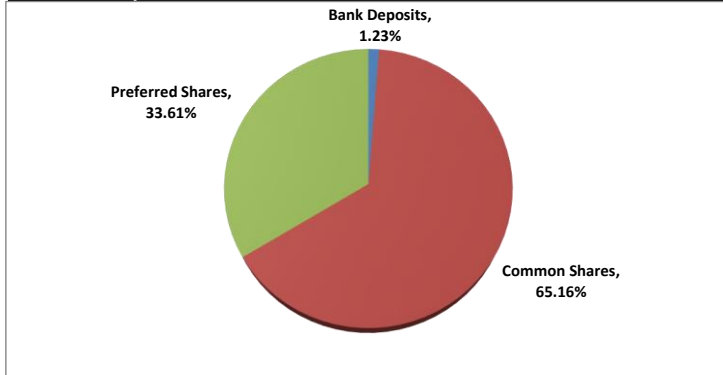


**Cumulative Performance (%)**

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-0.43%	-4.88%	5.02%	4.40%	-7.82%
Benchmark	-2.62%	-10.60%	0.36%	0.03%	-10.27%

**Note: Benchmark is Philippine Stock Exchange Index (PSEi).**

**Portfolio Composition**



**NAVpu over the past 12 months**

Highest	0.749755
Lowest	0.642784

**Statistics**

Wtd. Ave. Duration	N/A
Volatility*	3.79%
Sharpe Ratio**	(0.01)
Information Ratio***	2.68

\*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 (%)**

SM	9.95%
DMC	6.92%
GTCAP	6.18%
BDO	6.03%
ALCPF	6.01%
SMC2L	4.88%
DDPR	4.07%
MBT	3.87%
SMC2I	3.69%
PCOR	3.10%
OTHERS	45.31%

<b>TOTAL</b>	<b>100.00%</b>
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**Note: Percentage (%) of holdings is based on market values.**

**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The Fund has deposit with the Bank Proper amounting to Php 204,867.11 which is 1% 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**

The Philippine Stock Exchange Index (PSEi) closed 2024 at 6,528.79, down 1.3% in December but up 1.2% for the year, ending a four-year losing streak. Domestic market capitalization grew 11.2% year-on-year to Php14.57 trillion, while daily average turnover for December rose 6.1% to \$105 million. Despite these gains, the market faced persistent net foreign selling, with December outflows reaching \$104 million, bringing the full-year net foreign outflow to \$408 million. Top foreign-sold names included ALI (-\$37.4 million), BPI (-\$20.3 million), and BDO (-\$14.5 million).

Sector performance was mixed, with Financials (+24.1%) and Services (+29.7%) leading gains, driven by strong earnings from CBC, BPI, BDO, PLUS, and CNVRG. Conversely, Property (-16.7%) and Mining (-21.7%) underperformed due to weak residential sales and a global nickel supply glut. Consumer names saw divergent results, with CNPF (+35.5%) outperforming while URC (-33.2%) lagged.

**Forecast/Outlook:** Looking ahead, optimism remains for 2025 as the easing cycle continues, supported by the BSP's 75-bps rate cuts in 2024 and a benign inflation outlook. However, concerns over peso weakness, inflation risks, and global economic uncertainty persist. Proposed capital market reforms and government infrastructure projects could bolster investor confidence. We maintain a bullish 2025 PSEi target of 7,400 - 8,000, implying a significant valuation discount compared to historical averages.

**Fund Strategy and Considerations**

In 2024, slowing inflation and peaking interest rates present opportunities for local stocks, but volatility remains a risk, especially if the U.S. faces a recession due to the Federal Reserve's aggressive rate hikes since 2022. The fund plans to gradually shift to an 70% allocation in common shares and 30% in preferred shares and REITs, capitalizing on favorable conditions. The investment strategy will modernize, focusing on Growth, Value, and Dividend Stocks, with equity selection based on fundamental analysis and execution guided by technical analysis. Key sectors targeted for growth include conglomerates, property, transport, and consumer sectors. We see upside potential, particularly in conglomerates benefiting from foreign investor interest and the consumer sector, bolstered by wage increases and reduced costs. The fund will maintain a diversified portfolio, prioritizing stocks with strong fundamentals, consistent dividends, and resilience to inflation, peso weakness, and oil price volatility. High-yielding and tradable securities will ensure liquidity, and additional cash inflows will support strategic investments.