



BANK OF COMMERCE – TRUST SERVICES GROUP

BANK OF COMMERCE DIVERSITY MONEY MARKET FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

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

FUND FACTS

Classification	Money Market Fund	Net Asset Value per unit (NAVpu)	1.264809
Launch Date	August 16, 2013	Total Fund NAV	PHP 244,871,775.69
Minimum Initial Investment	Php 10,000.00	Dealing Day	11:30 AM
Minimum Additional	Php 1,000.00	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: Php829.62 of the NROSS Fee for the Quarter	*EXTERNAL AUDITOR FEE: Php441,862.96	OTHER FEES: N/A
	*Portion/Percentage of Php15,000 for the quarter	KPMG Audit	N/A
	Bureau of Treasury	*based 2023 External Audit Fee	

INVESTMENT OBJECTIVE & STRATEGY

The Fund's primary goal is to prevent the loss of principal and generate income by investing in fixed-income securities and deposits with maximum terms to maturity of up to three (3) years and has a weighted average portfolio life of one (1) year or less. The Fund is suitable for individual and institutional investors with a "Conservative" risk profile who prefers a low level of risk, favor 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.

The Fund may avail itself of financial derivatives instruments solely for the purpose of hedging risk exposures of the existing investments of the Fund, provided, these are accounted for in accordance with existing BSP hedging guidelines as well as the Trustee's risk management and hedging policies duly approved by the Trust and Investments Committee and disclosed to participants.

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
- Who are Philippine Residents Only

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.

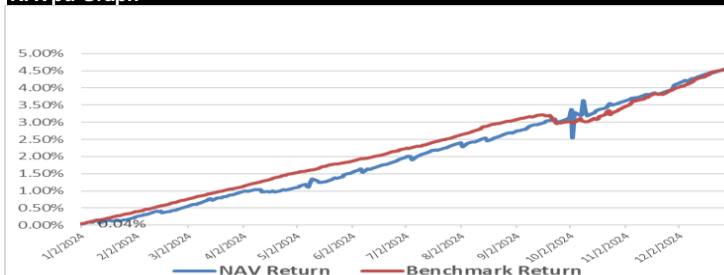
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

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

FUND PERFORMANCE AND STATISTICS AS OF 12/27/24
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

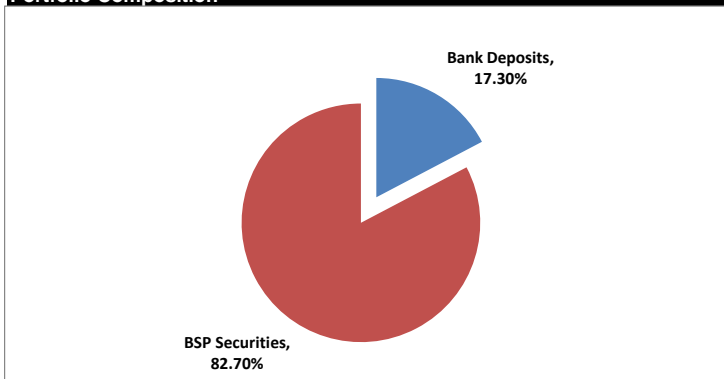


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.4523%	1.4046%	2.5811%	4.5530%	9.0327%
Benchmark	4.2656%	3.9352%	4.3446%	3.9450%	0.6469%

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

Portfolio Composition



NAVpu over the past 12 months

Highest	1.264809
Lowest	1.209730

Statistics

Wtd. Ave. Duration	0.07
Volatility*	0.09%
Sharpe Ratio**	(0.79)
Information Ratio***	0.19

*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
BSPBIL 01/07/2025	20.42%
BSPBIL 01/14/2025	36.83%
BSPBIL 02/04/2025	25.45%
CitySavings Bank - PHP TD	8.26%
Chinabank - PHP TD	5.08%
Phil. Business Bank - PHP TD	3.80%
BankCom - PHP SA	0.17%

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 404,810.48 which is 0.17% 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

Yields on government securities rose by 16 bps on average month-on-month, with the 91-day T-bills closing at 5.894%, up by 25 bps, reflecting defensive positioning by market participants amid expectations of higher December inflation. December headline inflation increased to 2.9% from 2.5% in November, bringing the full-year 2024 average to 3.2%. Core inflation also rose to 2.8%, driven by food supply disruptions, higher utility prices, and rising housing costs. Meanwhile, the US Federal Reserve and the BSP both implemented 25 bps rate cuts in December, signaling a cautious shift toward monetary easing. Fed Chair Powell highlighted a slower pace of rate cuts in 2025 due to persistent inflationary pressures, while BSP Gov. Remolona reiterated that risks to inflation remain tilted to the upside due to food supply issues, weaker currency, and geopolitical factors. In December, short-term rates rose by 20 bps on average, with Treasury bills and short-dated bonds ending the year higher. The Fund will continue to focus on high-yielding deposits and fixed-income securities to maximize returns and enhance accruals.

Finance Secretary Ralph Recto acknowledged that the Philippines likely missed its 6%-6.5% GDP growth target for 2024, partly due to typhoons. Nevertheless, he remains optimistic that growth will exceed 6% in 2025. The Department of Budget and Management (DBM) noted that government spending in the first half of 2025 could be lower than in 2024 due to the public works ban ahead of the May elections. For the first nine months of 2024, Philippine GDP growth averaged 5.8%, consistent with the IMF's full-year projection. Preliminary fourth-quarter and full-year GDP data will be released on January 30, 2025. In its latest World Economic Outlook update, the IMF maintained its GDP growth forecasts for the Philippines at 6.1% in 2025 and 6.3% in 2026, aligning with the government's 6%-8% target for those years. Growth is expected to be driven primarily by domestic consumption and investment.

Forecast/Outlook: The BSP's updated risk-adjusted inflation projection for 2025 is 3.4% (prev. 3.3%) while 3.7% (prev. 3.7%) for 2026.

Fund's Strategy and Considerations:

The fund primarily invests in money market instruments, prioritizing high liquidity. It focuses on BSP Securities for their attractive yields and low volatility while also targeting BSP Bills, Treasury Bills, and Bank Deposits based on current interest rates. The fund has increased its exposure to BSP Securities due to better rates than Time Deposits and plans to stay active in BSP Bill auctions for reinvestment and liquidity. It also seeks favorable rates in Time Deposits and Treasury Bills for positions of 90 to 360 days, anticipating continuous inflation moderation and more rate cuts by Q4 until 2025. The fund maintains a portfolio duration of less than 1 year, with new cash inflows supporting its strategy.