



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, 2025**

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.040702
Launch Date	March 11, 2005	Total Fund NAV	USD 446,566.30
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: N/A	*EXTERNAL AUDITOR FEE: USD976.39	OTHER FEES: N/A
*based on the Net Asset value (NAV) accrued daily	BankCom - Treasury	Punongbayan and Araullo	N/A
		*based 2023 External Audit Fee	

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.

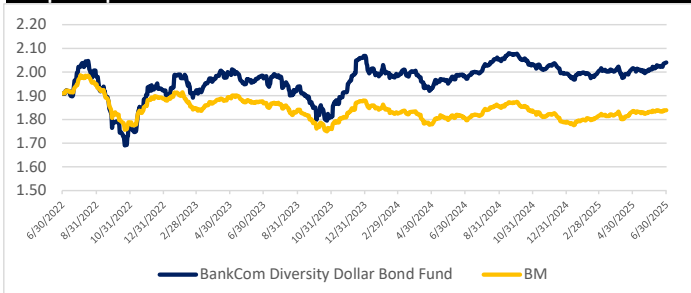
- THE UIT FUND IS NOT A DEPOSIT AND NOT INSURED BY PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES 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 06/30/25
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

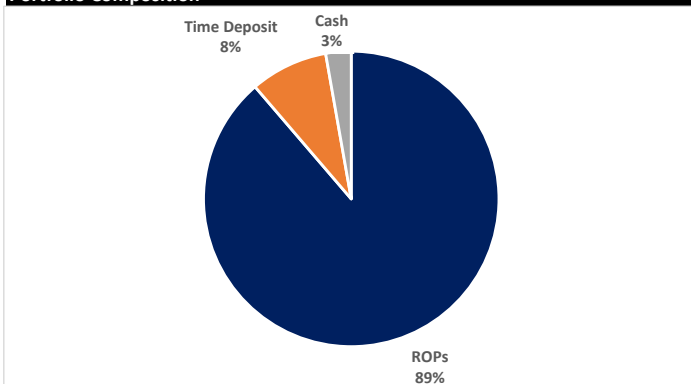


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	1.4640%	1.5076%	2.3897%	2.8379%	6.8591%
Benchmark	0.3514%	0.8078%	2.7273%	1.6911%	-3.7180%

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

Portfolio Composition



NAVpu over the past 12 months

Highest	2.079522
Lowest	1.968082

Statistics

Wtd. Ave. Duration	6.63
Volatility*	3.72%
Sharpe Ratio**	(0.35)
Information Ratio***	0.65

*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	62.96
PHILIP 7.75 01/14/31	18.40
PSB - TD	8.50
PHILIP 9.5 02/02/30	4.64
US DOLLAR	2.78
PHILIP 3.7 02/02/42	2.71

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

N/A

OUTLOOK AND STRATEGY

US treasuries traded on a wide range in June as yields swung on news on latest developments on the trade negotiations between US and China and the conflict between Iran and Israel. At the start of the week of June, investors are closely watching trade relations between the U.S. and China, which have deteriorated in recent days after Trump accused China of violating a preliminary trade agreement. U.S.-China trade negotiations resumed in London where US officials met with Chinese officials and the feedback from the meeting was positive. However, yields sharply sold off when news broke out that US attacked three key Iranian nuclear facilities. Israel also began firing missiles of their own towards Iran. Markets finally found relief when U.S. President Donald Trump announced a ceasefire between Israel and Iran. For the month of June, treasury yields sank by an average of 13 bps, with the 2yr and 10yr yields declining by 18 bps and 17 bps respectively.

The latest macro-eco data results also indicated that inflation remains high. The personal consumption expenditures price index reading for May rose 0.1%, placing the annual inflation rate at 2.3%, according to a Commerce Department report. Economists polled by Dow Jones were looking for respective increases of 0.1% and 2.3%. The Fed's preferred inflation indicator, the Core PCE, which excludes food and energy prices, came in at 0.2% on the month and 2.7% annually. The core print was higher than market's estimate of 0.1% and 2.6%, respectively.

On the monetary policy side, in their last meeting, the Federal Reserve kept its key borrowing rate targeted in a range between 4.25%-4.5%, where it has been since December. Along with the rate decision, the committee indicated, through its closely watched "dot plot," that two cuts by the end of 2025 are still on the table as shown in the latest Summary of Economic Projections (SEP). However, it lopped off one reduction for both 2026 and 2027, putting the expected future rate cuts at four, or a full percentage point. Moreover, the committee indicated less concern about the gyrations of the economy and the clouds over White House trade policy. During a news conference, Federal Reserve Chairman Jerome Powell suggested there is time to wait for more clarity. Fed officials have been reluctant to move, fearful that tariffs Trump implemented this year could cause another wave of inflationary pressures in the coming months.

The Fund has outperformed its benchmark by 1.11% on a month-on-month basis and 0.70% on a quarter-to-date basis. This is mainly driven by the core holdings in ROPs.

For our outlook, we believe that the movement of yields for the rest of 3Q2025 will be heavily influenced by any developments on the trade talks, news on conflicts in the Middle East, economic growth outlook, and the Fed's view on the appropriate policy move. Yields may continue to trade sideways with an upward bias as investors will remain wary. For our strategy, we look to opportunistically trade our exposures in the long ends and will look to redeploy to tenors where we see value.