

**BANK OF COMMERCE – TRUST SERVICES GROUP****BANK OF COMMERCE DIVERSITY DOLLAR BOND FUND**
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENTFor the Quarter ended **September 30, 2025****FUND FACTS**

Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.100354
Launch Date	March 11, 2005	Total Fund NAV	USD 459,619.82
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. *based on the Net Asset value (NAV) accrued daily	CUSTODIAN FEE: N/A BankCom - Treasury	*EXTERNAL AUDITOR FEE: USD1,513.06 Punongbayan and Araullo *based on 2025 External Audit Fee	OTHER FEES: N/A N/A
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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.

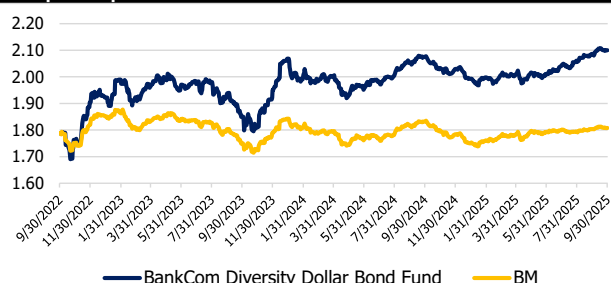
For queries, contact us via email at trustmarketing@bankcom.com.ph

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

FUND PERFORMANCE AND STATISTICS / 09/30/25

(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

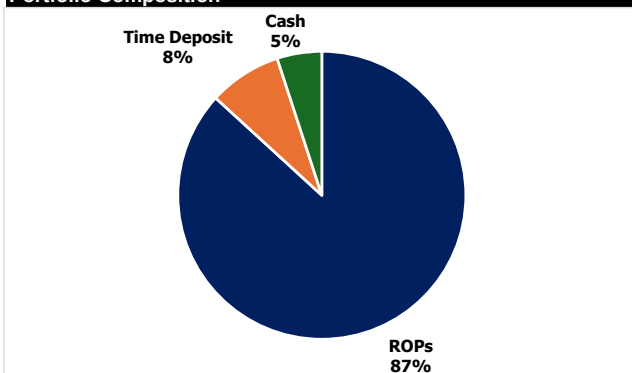


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.6991%	2.9231%	4.4747%	1.1607%	17.4830%
Benchmark	0.2490%	0.4967%	1.2980%	-1.3603%	1.1348%

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

Portfolio Composition



NAVpu over the past 12 months

Highest	2.107738
Lowest	1.968082

Statistics

Wtd. Ave. Duration	6.50
Volatility*	7.22%
Sharpe Ratio**	(0.32)
Information Ratio***	0.51

*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	61.84
PHILIP 7.75 01/14/31	17.78
TD	8.17
Cash	5.02
PHILIP 9.5 02/02/30	4.46

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

N/A

OUTLOOK AND STRATEGY

US treasury yields declined in September driven by softening labor data and indication of more expected rate cuts for 2025. At the start of the month, yields dropped as investors rushed to safe haven assets after the softer-than-expected nonfarm payrolls. Another wave of buying was then seen when the Fed decided to resume cutting rates by slashing the key range to 4.00-4.25%. Yields then consolidated for the rest of the month as investors now wait for further data and guidance. For September, yields in the 1mo.-1yr curve declined by an average of 19 bps, while the rest of the curve declined by 6 bps.

On the macro front, inflation continues to be sticky on the high side, while jobs data has now shown vulnerabilities. Core PCE, which is the Fed's preferred inflation gauge, printed at 0.2% MoM, 2.9% YoY. The latest print is still above the 2% target. Furthermore, US CPI came at 0.4% MoM, the biggest MoM gain since January of this year. This brings the YoY figure to 2.9%. Core CPI came in at 3.1%. Faster increase in shelter costs were the main drivers of the price increase. The sharp rise in prices is in contrast with the latest jobs report. Nonfarm payrolls for August increased by just 22k, lower than consensus estimate. The report showed a marked slowdown from the July increase of 79k. Revisions also showed a net loss of 13,000 in June.

The weakening jobs environment was one of the key considerations of the FOMC when they had their regular monetary policy meeting. The Fed has finally decided to resume cutting rates by slashing the key rate by 25 bps, putting the overnight funds rate to a new range of 4.25%. In the post-meeting briefing, the FOMC noted that economic activity has moderated, job gains has slowed, and inflation "has moved up and remains somewhat elevated." The latest summary of economic projections also show that members are expecting at least two more cuts for the rest of 2025. Fed Chair Jerome Powell also added that the decision to cut reflects a desire to keep risks to the economy in check as the labor market has begun to cool off versus the threats on the inflation front. The central bank had been holding firm on interest rates as inflation has remained above the Federal Reserve's 2% target. Powell has expressed concern that tariffs put in place by the Trump administration could lead prices to surge.

The Fund has outperformed its benchmark by 0.45% on a month-on-month basis and 2.12% on a year-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 4Q2025 will be heavily influenced by any developments on the trade talks, economic growth and inflation 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.