



BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended *December 29, 2025*

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.112221
Launch Date	March 11, 2005	Total Fund NAV	USD 453,495.18
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: USD1,364.22	OTHER FEES: N/A
*based on the Net Asset value (NAV) accrued daily	BankCom - Treasury	Punongbayan and Araullo	N/A
		*based on 2025 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.**

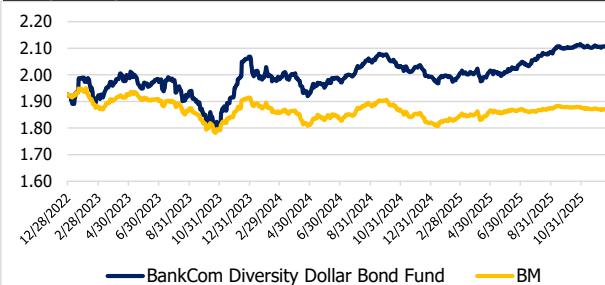
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FUND PERFORMANCE AND STATISTICS / 12/29/25

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

NAVpu Graph

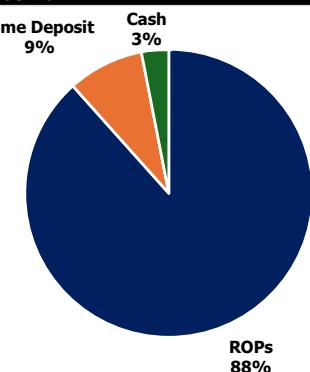


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.0529%	0.5650%	3.5046%	5.9780%	9.8719%
Benchmark	-0.1606%	-0.4077%	0.0869%	2.8465%	-2.7964%

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

Portfolio Composition



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

N/A

OUTLOOK AND STRATEGY

The US yield curve steepened again, reflecting a safe haven bias following the release of the latest available economic data and anticipation of another rate cut by the Fed. The rise in the yields of the belly and long-ends bonds may have also reflected the uncertainty of both the next policy moves and the growth trajectory of the US economy. For December, yields in the 1mo.-2yr tenor sank by an average of 16 bps, while the rest of the curve saw yields increase by 14 bps.

Some major key data released have been delayed due to the recent end of the US government shutdown. But the latest available data showed that the jobs market in the US now faces pressure. On November, ADP has reported that private companies lost an average of 13,500 jobs a week over the past four weeks. However, latest inflation releases provided relief. Core PCE figure, which is the Fed's preferred inflation measure, showed a 0.2% MoM rise while the annual rate was 2.8% YoY. Both readings were in line with market estimates.

On monetary policy side, the latest decision came in with a prominent division among Fed members. In a 9-3 vote, the Fed cut its key interest rate by another 25 bps, bringing the key rate to 3.50%-3.75%, but signaled a tougher road ahead for further reductions. The latest dot plot shows that FOMC members are expecting one more reduction in 2026 and another in 2027, amid considerable disagreement from members about where rates should head. The latest rate cut by the Fed has been categorized as a "hawkish cut" as the latest move carried caution flags about where policy is headed from here and featured "no" votes from three members, which hasn't happened since September 2019.

The Fund has outperformed its benchmark by 0.21% on a month-on-month basis and 3.13% 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 1Q2026 will be heavily influenced by any guidance on outlook on labor and inflation, monetary policy, and economic growth. The FOMC has already telegraphed that there may be only two rate cuts to be implemented in 2026 amid worries of inflationary pressures despite the weakening labor landscape.

NAVpu over the past 12 months

Highest	2.115684
Lowest	1.968082

Statistics

Wtd. Ave. Duration	6.37
Volatility*	6.05%
Sharpe Ratio**	0.48
Information Ratio***	0.76

*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	62.98
PHILIP 7.75 01/14/31	18.11
TD	8.55
Cash	3.06
PHILIP 9.5 02/02/30	4.55

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