



BANK OF COMMERCE – TRUST SERVICES GROUP
BANK OF COMMERCE DIVERSITY PESO BOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended **March 31, 2026**

FUND FACTS			
Classification	Long Term Peso Bond Fund	Net Asset Value per unit (NAVpu)	1.815777
Launch Date	March 10, 2005	Total Fund NAV	PHP 13,439,216.66
Minimum Investment/Maintaining Participation	Php 10,000.00	Dealing Day	11:30 AM
Minimum Additional	Php 1,000.00	Redemption Settlement	T + 1
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*			
*TRUSTEE FEE: 1.00% per annum *based on the Net Asset Value (NAV) accrued daily	CUSTODIAN FEE: PHP25.20	*EXTERNAL AUDITOR FEE: PHP43,518.25 Punongbayan and Araullo	OTHER FEES: N/A N/A
	Bureau of Treasury	*based on 2025 External Audit Fee	

INVESTMENT OBJECTIVE & STRATEGY

The Fund intends to achieve for its participant's total returns consisting of current income and capital growth. The Fund intends to achieve this by investing in a diversified portfolio of peso-denominated high-quality marketable fixed income securities such as government securities, tradable corporate bonds and notes of varying tenors as well as bank deposits, money market placements and BSP securities.

The modified duration limit is 7. The Modified Duration is a measure of bond's sensitivity to changes in interest rates, how 1% (100 basis points) change in interest rates affect the value of the bond holding all other factors unchanged.

CLIENT SUITABILITY

The Bank of Commerce Diversity Peso Bond Fund is suitable only for investors who:

- Have a **MODERATE** risk profile
- With an investment horizon of more than five (5) years
- 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.

Interest Rate Risk: This is the possibility that an investor may experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.

Market Price Risk: This is the possibility that an investor may experience losses due to changes in market prices of securities (e.g., bonds and equities). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.

Liquidity Risk: This is 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. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market.

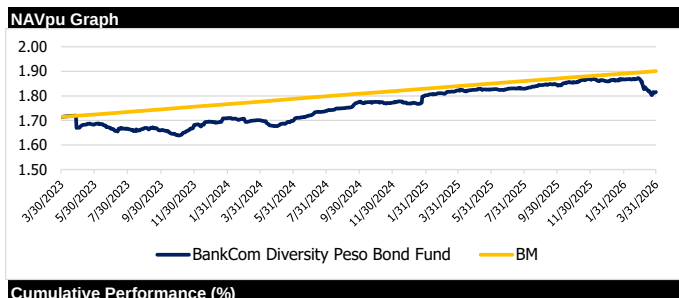
Credit/Default Risk: This is the possibility that an investor may experience losses due to a borrower's failure to pay principal and/or interest payments/amortizations in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued. This inability of the borrower to make good on its financial obligations may have resulted from adverse changes in its financial condition thus, lowering credit quality of the security, and consequently lowering the price (market/price risk) which contributes to the difficulty in selling such security. It also includes risk on a counterparty (a party the Trustee trades with) defaulting on a contract to deliver its obligation either in cash or securities.

Reinvestment Risk: This is 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.

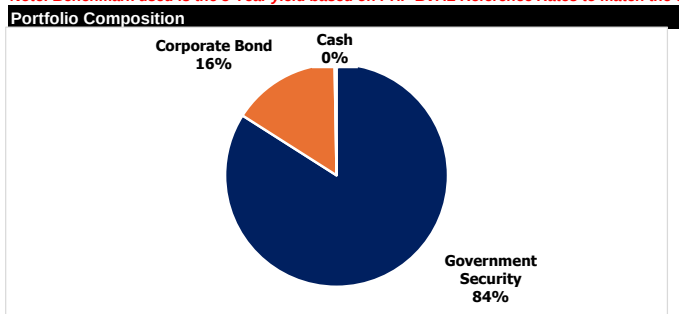
- THE UIT FUND IS NOT A DEPOSIT AND NOT INSURED BY PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES 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 03/31/26
(Purely for reference purposes and is not a guarantee of future results)



Note: Benchmark used is the 3-Year yield based on PHP BVAL Reference Rates to match the current Wtd. Average Portfolio Duration.



NAVpu over the past 12 months

Highest	1.872418
Lowest	1.802575

Statistics

Wtd. Ave. Duration	4.15
Volatility*	2.69%
Sharpe Ratio**	(1.53)
Information Ratio***	(1.37)

*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
RPG6 6 08/20/30 R519	40.31
RPG6 5.925 02/23/36 1074	15.33
RPG6 6.25 02/28/29 R518	13.69
RPG6 6 04/27/30 7-69	7.29
SMCPM 8.489 12/14/32 N	4.75
RPG6 6.125 08/22/28 R517	4.29
ALIPM 6.1334 11/13/34	3.49
CLIPM 6.4222 04/07/26 A	2.22
RPG6 8 07/19/31 2017	1.94
FLIPM 6.2916 03/12/30	1.46

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

N/A

OUTLOOK AND STRATEGY

The local bond market faced a challenging month in March as yields gapped higher. The surge in inflation expectation, lack of market liquidity, and perceived pause or halt in the Central Bank's easing cycle all contributed to the sharp selloff in the secondary market. Selloff momentum continued all throughout the month, as any attempts from bottom feeders were met with immediate sellers. Yields in the 1mo.-1yr curve increased by an average of 52 bps. The 1-5yr and 5-10yr tenor buckets all jumped by 94 bps and 111 bps respectively while the back of the curve rose by 66 bps.

Macro fundamentals ultimately took a step back as the markets remained headlines driven. The main driver for the sentiment was the closure of the Strait of Hormuz, of which 20% of the world's oil supply passes through each year. Global oil prices persistently traded above \$100 per barrel, increasing by an average of 57% just this March. Locally, gas and diesel pump prices increased almost at the same pace. In light of the imminent danger posed upon the availability and stability of the country's energy supply, President Bongbong Marcos has signed an Executive Order declaring a state of energy emergency.

In reaction to the global developments, the BSP has conducted an off-cycle meeting to provide insights and recalibrations on key economic data. On this meeting, the Central Bank opted to keep the key rate unchanged at 4.25%. The main driver for the decision was that since the expected surge of inflation is supply-driven, monetary policy intervention will have limited effectiveness. Further, implementing a premature rate hike may further derail the Philippines from its already weak growth trajectory. The BSP said its inflation expectations remain well-anchored but raised its forecast for 2026 to 5.1% from 3.6% previously. BSP also trimmed its GDP growth estimate to 4.4% from 4.6% for this year.

The Fund has underperformed its benchmark by 3.32% on a month-on-month basis and by 3.17% on a year-to-date basis.

For our outlook, we expect that the local bond market will continue to be headline-driven. We have already seen some ease in market worries after Iran has assured the Philippines that its vessels and seafarers will be allowed safe and unhindered passage through the Strait of Hormuz. Although this is an important positive development, this will not immediately bring pump prices down. Inflation expectations especially in 2Q2026 will remain elevated. We will continue to be on the lookout for other positive developments. For our strategy, we are still inclined to maintain an underweight duration strategy and will wait for yields to stabilize before rebalancing.