BANK OF COMMERCE – TRUST SERVICES GROUP

BANKCOM DOLLAR LONG TERM BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended ***June 30, 2026***

FUND FACTS

Classification	**Fixed Income Fund**	**Net Asset Value per unit (NAVpu)**		2.088801
Launch Date	March 11, 2005	**Total Fund NAV**	USD	452,380.78
Minimum Investment/ Maintaining Participation	USD 1,000	**Dealing Day**	11:30 AM	
Minimum Additional	USD 100	**Redemption Settlement**	T + 1	
Minimum Holding period	7 days	**Early Redemption Fee**	5% on redeemed amount	

FEES*

*TRUSTEE FEE:	CUSTODIAN FEE:	*EXTERNAL AUDITOR FEE:	OTHER FEES:
1.00% p.a.	N/A	USD182.63	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. This is accomplished by investing in high quality US Dollar-denominated fixed income securities and other deposit products. The fund aims to achieve a rate of return higher than the **iBoxx USD Asia Ex-Japan Philippines Sovereigns 1-15Y Index Total Return Index**.

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.

Interest Rate Risk is defined as the potential for an investor to experience losses due to changes in market interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of the debt instrument changes inversely with prevailing interest rates. The UITF portfolio, being marked-to-market, is affected by changes in interest rates thereby affecting the value of fixed income investments such as bonds. Interest rate changes may affect the prices of fixed income securities inversely, i.e. as interest rates rise, bond prices fall and when interest rates decline, bond prices rise. As the prices of bonds in a Fund adjust to a rise in interest rates, the UITF's NAVpu may decline.

Market Price Risk is defined as the potential for an investor to 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. Market/Price Risk is closely related to Interest Rate Risk. For investments in the UITF, it is the risk that the value of the UITF may decline in view of the decline in securities prices, which may sometimes happen rapidly or unpredictably. The value of investments fluctuates over a given time period because of general market conditions, economic changes or other events that impact large portions of the market such as political events, natural calamities, etc. As a result, the NAVpu may either increase or decrease.

Liquidity Risk is defined as the inability to sell or convert assets into cash quickly or in instances where conversion to cash is possible but made at a loss. It is 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. In UITF, liquidity risk occurs when certain securities in the UITF portfolio may be difficult or impossible to sell at a particular time which may prevent the redemption of the investment in UITF until its assets can be converted to cash. Even government securities which are the most liquid of fixed income securities may be subjected to liquidity risk particularly if a sizeable volume is involved.

Credit/Default Risk is defined as the risk of loss due to a borrower's failure to repay principal and/ or interest 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 resulting in the lowering of the market price (market/price risk), and consequently, resulting in the difficulty in selling such security. It also includes risk on a counterparty (a party the Fund Manager trades with), defaulting on a contract to deliver its obligation either in cash or securities. For UITF, this is the risk of a possible decrease in the value of the UITF portfolio in the event that the borrower defaults on his obligation, or in the case of a counterparty default, when it fails to deliver on the agreed trade. The decline in the value of the UITF happens because the default/ failure would decrease the price of the security and may make the security difficult to sell. In such case, the UITF's NAVpu will be affected by a decline in value.

Reinvestment Risk is defined as the risk of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested. Investors in the UITF who redeem and realize their gains run the risk of reinvesting their funds in an alternative investment outlet with lower yields. Similarly, BankCom-TSG, the UITF manager, is faced with the risk of not being able to find good or better alternative investment outlets as some of the securities in the fund matures.

FX Risk is defined as the risk of losses due to fluctuations in foreign exchange rates if the foreign currency investment has to be re-converted back to the original currency. The exchange rates depend upon a variety of global and local factors. For UITF, It is the risk of the UITF to currency fluctuations when the value of investments in securities denominated in currencies other than the base currency of the UITF appreciates. The NAVpu of a peso-denominated UITF invested in foreign currency-denominated securities may decrease to incur loss when the peso appreciates.

- **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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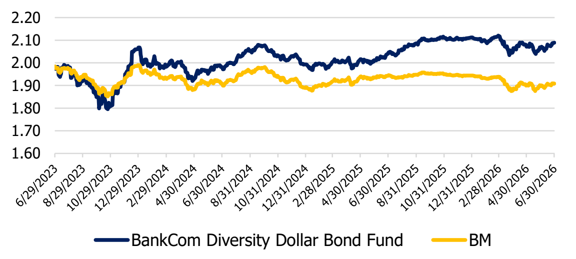
FUND PERFORMANCE AND STATISTICS ***06/30/26***

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

NAVpu Graph



NAVpu over the past 12 months

Highest	2.120545
Lowest	2.032526

Statistics

Wtd. Ave. Duration	6.05
Volatility*	5.59%
Sharpe Ratio**	(0.13)
Information Ratio***	1.13

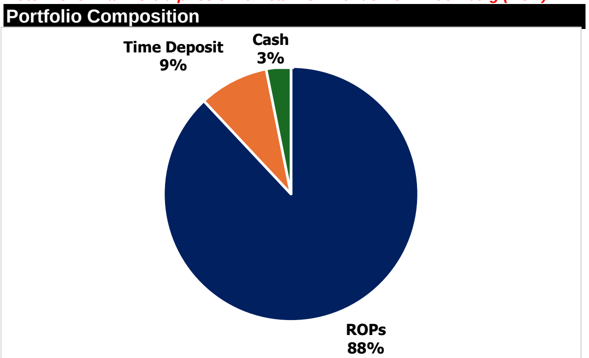
**Volatility measures the degree to which the Fund fluctuates vis-a-vis its average return over a period of time.*
***Sharpe ratio is used to characterize how well the return of the Fund compensates the investor for the level of risk taken.*
****Information ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.*

Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.9797%	1.8735%	-1.1088%	2.3570%	5.8657%
Benchmar	0.4048%	1.5837%	-1.8281%	-1.7427%	-3.3861%

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

Portfolio Composition



Top Ten Holdings (%)

Holdings	Weight
PHILIP 5 01/13/37	62.69
PHILIP 7.75 01/14/31	18.03
USD - TD	8.84
PHILIP 9.5 02/02/30	4.53
USD - Cash	3.13

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

N/A

OUTLOOK AND STRATEGY

US treasury yields rose sharply in March primarily driven by a surge in global oil prices stemming from the escalation of the Iran war and disruptions in the Strait of Hormuz, which significantly lifted inflation expectations and forced markets to reprice a higher-for-longer interest rate environment. While geopolitical tensions initially supported safe-haven demand, the inflationary nature of the shock quickly dominated, pushing yields higher as investors reduced expectations for Federal Reserve rate cuts. At the same time, weaker labor market data introduced stagflation concerns, but these were insufficient to offset rising inflation pressures. Frequent swings in ceasefire headlines further contributed to volatility, but the overall trend remained upward as markets increasingly priced persistent inflation, delayed monetary easing, and diminished safe-haven demand for treasuries. For this month, treasury yields surged by an average of 28 bps.

Global oil prices dominated sentiment. Oil prices surged toward/above $100 per barrel, leading markets to recalibrate higher inflation expectations and demand higher yields as compensation for inflation risk. Rising inflation expectations led markets to scale back rate-cut expectations. The Fed’s cautious stance, which was reinforced during the March FOMC meeting, signaled that policy would remain restrictive for longer.

The Fund has outrperformed its benchmark by 0.57% on a month-on-month basis, and outperformed by 0.72% on a year-to-date basis. This is mainly driven by the core holdings in ROPs.

The trajectory of treasury yields will be determined by two near-simultaneous events: the June PCE report due July 30 and the July CPI report due in mid-August, both of which will be the first to fully reflect the oil price collapse following the peace deal, and the September 15–16 FOMC meeting, where the market currently prices a 62% probability of a 25-basis-point rate hike