BANK OF COMMERCE – TRUST SERVICES GROUP

BANKCOM PESO 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)**	**1.831958**
Launch Date	March 10, 2005	**Total Fund NAV**	**PHP 13,569,213.14**
Minimum Investment/Maintaining Participation	PhP 5,000.00	**Dealing Day**	11:30 AM
Minimum Additional	PhP 1,000.00	**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% per annum	**PHP13.96**	**PHP5,549.54**	**N/A**
***based on the Net Asset Value (NAV) accrued daily**	**Bureau of Treasury**	**Punongbayan and Araullo *based on 2026 External Audit Fee**	**N/A**

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 Philippine Peso-denominated fixed-income securities and other deposit products. 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. The Fund aims to achieve a rate of return higher than the **Markit iBoxx ALBI Philippines Total Return Index.**

CLIENT SUITABILITY

The Bank of Commerce Diversity Peso Bond Fund is suitable <u>only</u> 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 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.

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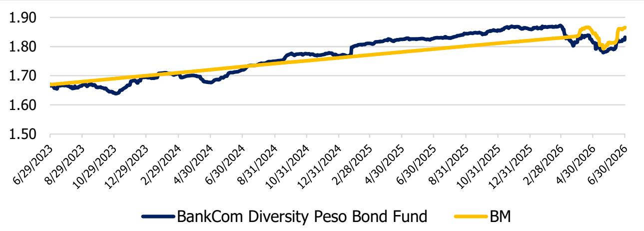
FUND PERFORMANCE AND STATISTICS AS OF ***06/30/26***

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

NAVpu Graph

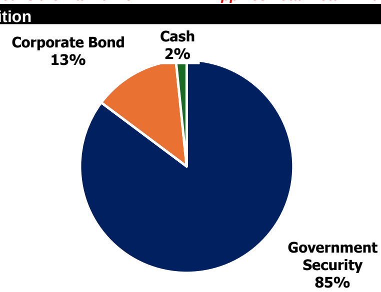


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	2.3356%	0.8911%	-1.4763%	0.2030%	9.9810%
Benchmark	2.8845%	1.6458%	2.4868%	4.1586%	11.7309%

Note: Benchmark used is the Markit iBoxx ALBI Philippines Total Return Index.

Portfolio Composition



NAVpu over the past 12 months

Highest	1.872418
Lowest	1.779324

Statistics

Wtd. Ave. Duration	4.22
Volatility*	2.59%
Sharpe Ratio**	(1.44)
Information Ratio***	(1.52)

**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
RPGB 6 08/20/30 R519	21.80
RPGB 8 07/19/31 2017	20.93
RPGB 5.925 02/23/36 1074	18.83
RPGB 7 10/13/29 7-68	18.30
SMCPM 8.489 12/14/32 N	4.71
RPGB 6.125 08/22/28 R517	4.21
ALIPM 6.1334 11/13/34	3.34
FLIPM 6.2916 03/12/30	1.43
FLIPM 6.655 03/12/32	1.42
RPGB 6.375 07/27/30 0770	1.16

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

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

N/A

OUTLOOK AND STRATEGY

The local fixed income market finally saw some relief in June. The month started off on a muted tone as most players opted to remain on the sidelines before the release of the May CPI print. Some sporadic buying was seen after the CPI result, with bonds in the 3-5-year space being lifted. On the third week, the secondary market staged another strong rally following reports of a peace deal being reached by the US and Iran. This sent oil prices and global yields tumbling, which helped spur demand for local bonds. The peace deal also eased concerns over potential disruptions to local oil supply, which may cause inflation expectations to recalibrate lower. Improved risk sentiment encouraged participants to add exposure especially in the 10-year tenor. For June, benchmark yields declined by an average of 43 bps.

On the macro front, Philippine inflation slightly eased. Headline CPI came in slower than expected in May as pressures from transport costs eased following several pump price rollbacks during the month. Inflation settled at 6.8% in May, easing from 7.2% in April. May marks the third month in a row that the headline inflation has topped the central bank's 2%-4% target, bringing the year-to-date average inflation past the goal at 4.5%. The slower inflation rate last month came as the country saw slower price increases in fuel, food, and energy-related utilities. Core inflation, which excludes selected food and energy items, increased to 4.1% in May from 3.9% in April. This was the first time since December 2023 that core inflation breached BSP's upper range of 4.0%. This may be a sign that price pressures have already broadened beyond just oil. The secondary inflation effects have now crept up to restaurants, recreation, and passenger transport.

The latest developments in the peace deal between US and Iran, coupled with the slower CPI print in May, have caused BSP Governor Eli Remolona to dial back his previous comments on adopting a more aggressive stance in monetary policy tightening. Remolona has previously mentioned that he is open to an off-cycle tightening. On their last meeting, the Monetary Board has decided to raise the key rate by 25 bps for the second straight time. The press release stated that this is a "measured" move aimed at tempering the spillover effects of oil shocks stemming from the Middle East war. The Board recognizes that inflationary pressures remain strong, and that rising core inflation indicates broadening price pressures and second-round effects. They will keep a close eye for any developments on the negotiations and will revise their models accordingly.

The Fund has underperformed its benchmark by 0.55% on a month-on-month basis and by 3.96% on a year-to-date basis.

For our outlook, we believe that the factors that will shape the movement of the local bond market will be the inflation results in the coming months, the signing of the peace deal, and further guidance by the BSP on monetary policy. Global oil prices are already trading near pre-war levels. This may potentially be the catalyst for inflation expectations to ease, although this will not be abrupt. BSP may be compelled to hike rates at least one more time to help curb the secondary inflation effects as shown in the latest core CPI print. For our strategy, we have already rebalanced to a less defensive positioning. The duration of the Fund is already near neutral, as we believe that the worst is already behind us and that the likelihood of signing a peace deal is already high. Our view of the market remains constructive. The Fund remains highly agile and we will keep a close eye for any developments.