

**BANK OF COMMERCE – TRUST SERVICES GROUP****BANKCOM DOLLAR LONG TERM BOND FUND****KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**For the Quarter ended *September 30, 2026*

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.017450
Launch Date	March 11, 2005	Total Fund NAV	USD 297,731.38
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	USD78.67	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 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.

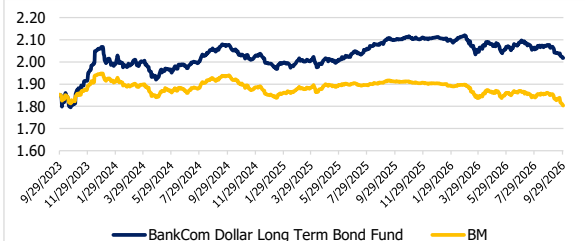
- THE UIT FUND IS NOT A DEPOSIT AND NOT INSURED BY PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S PLAN, MAKE HIS/HER OWN RISK ASSESSMENT, AND, WHEN NECESSARY, SEEK AN INDEPENDENT/PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.
- THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

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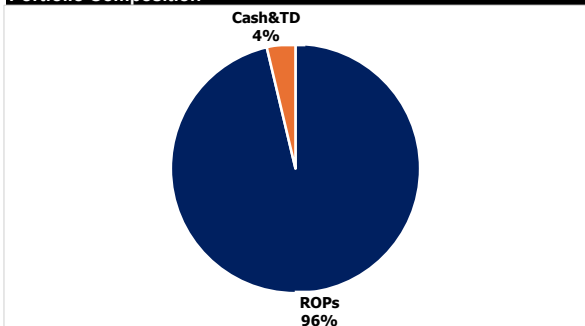
FUND PERFORMANCE AND STATISTICS A 09/30/26

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

NAVpu Graph**Cumulative Performance (%)**

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-2.84%	-3.42%	-1.61%	-3.95%	8.95%
Benchmark	-2.99%	-3.52%	-1.99%	-5.67%	-2.67%

Note: Benchmark is iBoxx USD Asia Ex-Japan Philippines Sovereigns Total Return Index.

Portfolio Composition**NAVpu over the past 12 months**

Highest	2.120545
Lowest	2.017450

Statistics

Wtd. Ave. Duration	3.25
Volatility*	5.24%
Sharpe Ratio**	(1.38)
Information Ratio***	0.49

*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 9.5 02/02/30	65.53
PHILIP 7.75 01/14/31	26.86
PHILIP 3.7 02/02/42	3.90
Cash&TD	3.71

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

OTHER DISCLOSURES**RELATED PARTY TRANSACTIONS**

N/A

OUTLOOK AND STRATEGY

September proved to be the most severe and historically significant monthly surge in US Treasury yields in over two decades. Every single maturity on the curve rose by between 14 and 60 basis points, the largest single-month yield increase since the acute phase of the 2022 rate-hiking cycle. The shape of the move was distinctly humped in its steepening profile: the very front end (1-month +14.4 basis points, 3-month +28.4 basis points) rose modestly relative to the intermediate tenors, while the belly and intermediate-to-long sector experienced the sharpest increases — the 2-year surged 54.6 basis points to close at 4.887%, the 3-year gained 59.5 basis points to 4.998%, the 5-year rose 58.6 basis points to 5.086%, and the 7-year added 57.4 basis points to 5.188%. The 10-year climbed 53.5 basis points to a closing level of 5.285% — its highest closing level since 2007 — while the 20-year rose 42.9 basis points to 5.671% and the 30-year gained 38.6 basis points to 5.629%, which represents a 24-year closing high last seen in 2002.

Four intersecting forces drove this historic repricing. First, geopolitical re-escalation dominated the month's opening: Trump's rejection of Iran's latest Hormuz proposal sent Brent crude toward \$107 per barrel, re-embedding the full energy-driven inflation risk premium that had partially deflated over the summer. Second, the September FOMC meeting on September 15–16 delivered a unanimous 12-0 rate hike, the first since July 2023, bringing the federal funds target to 3.75%–4.00%, accompanied by a dot plot showing 16 of 18 officials projecting at least one more 2026 hike and a median year-end rate of 4.125%. Third, the September flash PMI composite of 58.4, the highest since July 2021, triggered the biggest single-session yield spike of the year on September 23, with the 10-year surging 13 basis points in one day. Fourth, structural fiscal anxiety, with the national debt at \$40 trillion, interest costs as the second-largest budget expenditure, and Bessent's buyback intervention visibly failing to cap long-end yields, confirmed that the bond market's structural bear thesis had overwhelmed all institutional efforts at yield management.

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 outperformed its benchmark by 0.15% on a month-on-month basis, and outperformed by 0.79% 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 the same factors that we have seen over the last six months. Iran and oil remain the primary wildcard. The Fed's monetary policy decision for the two remaining meetings will also be the key driver for the movement in the front of the curve. A headline CPI above 3% may restore the December rate hike probability to around 60-70%.