

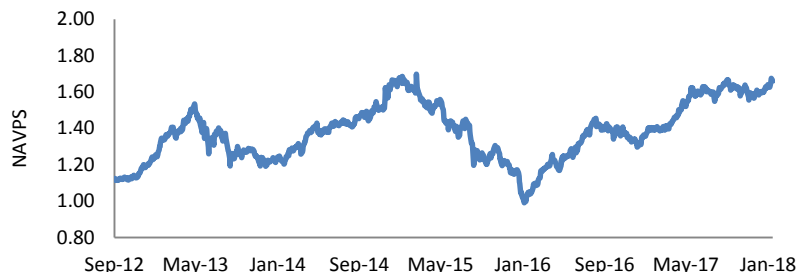
**Investment Objective**

The Fund's investment objective is growth through capital appreciation. The Fund seeks to deliver returns over the long term by investing primarily in equity securities, with a focus on companies with strong growth potentials which are not included in the Philippine Stock Exchange Composite Index (PSEi).

<b>Fund Manager</b>	ATRAM
<b>Bloomberg Ticker</b>	ALPHAOP PM
<b>Inception Date*</b>	17 September 2012
<b>Currency</b>	PHP
<b>Fund Size</b>	446.30 Million
<b>NAVPS</b>	1.6476
<b>Domicile</b>	Philippines
<b>Asset Class</b>	Equities
<b>Reference Benchmark</b>	MSCI Phil. Small Cap Index
<b>Management &amp; Distribution Fee</b>	2.0% p.a.
<b>Risk &amp; Investor Profile</b>	High Risk
<b>Dealing Frequency</b>	Daily

\*Date of conversion from money market fund

**Performance Overview**



**Cumulative Performance %**

	1 Mo	1 Yr	3 Yrs	5 Yrs	YTD	Since TO
Fund	3.18%	18.23%	-1.04%	26.57%	3.18%	45.73%

**Annualized Performance %**

	1 Yr	2 Yr	3 Yrs	4 Yrs	5 Yrs
Fund	18.23%	26.30%	-0.35%	7.75%	4.83%

**Calendar Year Performance %**

	2014	2015	2016	2017	2018 YTD	Since TO
Fund	36.02%	-29.56%	12.68%	20.94%	3.18%	45.73%
BM	22.76%	-11.78%	15.88%	-0.62%	2.75%	41.80%
+/-	13.26%	-17.78%	-3.19%	21.56%	0.43%	3.93%

Note: Performance figures are net of fees and taxes. For calendar year returns, Dec. 31 NAVPS used.

**Risk Adjusted Returns Statistics**

	1 Yr	3 Yr	5 Yr	Since TO
Risk Adjusted Return	2.00	0.07	0.36	0.50
Information Ratio	3.39	0.03	0.09	0.06
Standard Deviation	8.63%	17.11%	16.93%	16.69%
Tracking Error	6.76%	9.96%	11.09%	10.75%

Note: Risk-adjusted returns and risk statistics are all annualized.

**Manager's Review**

Philippine Stock Exchange Index (PSEi) surged by 2.40% month-on-month (MoM) following a strong 2017 finish. The index ended at 8,764.01 after breaking the 9,000 level and gained as much as 5.80% MoM before the correction late in the month. The correction was triggered by worldwide sell down as risk sentiment turned bearish when US treasury yields continued to rise sharply. Foreign funds were net buyers as they accumulating \$45 million initially before significantly reducing exposure in the last two days (\$84 million flowed out). We note that stock rights offerings have accelerated as Bank of the Philippine Islands (BPI, P50 billion) and Metrobank (MBT, P60 billion) announced that they intended to sell shares to beef up their capital base. Late in the month, Rizal Banking Corp (RCB) announced its own P15 billion issuance.

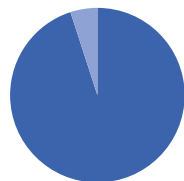
**Fund Attribution & Positioning**

The ATRAM Alpha Opportunity Fund was up by 3.18% and outperformed its benchmark by 44 basis points (bps) in January. Overweight exposures in Shakey's Pizza (PIZZA) and Wilcon Depot (WLCON) were the main reasons for the relative outperformance. PIZZA jumped 12.93% MoM as it announced that it will open 20 more stores in 2018 in addition to the 24 it opened last year. On the other hand, WLCON was up by 11.84% MoM as investors voted with their money on the likely winners of the tax reform (package 1). WLCON and PIZZA are perceived to be beneficiaries as the income tax cuts will likely increase discretionary spending in the long run.

**Market Outlook**

The global equity correction spilled over to the PSEi causing it to take a much-needed break after its steep rally. Risk sentiment soured after US treasury yields rose when investors priced in potentially more-than-expected interest-hikes this year. We anticipate the market to test the main support at 8,100 if 8,500 breaks. However, we view any correction to be healthy and long overdue as the Philippine economic fundamentals remain intact and are primed to be strengthened by structural changes (i.e. tax reforms). These reforms are expected to fuel corporate earnings in the long run and we view sharp corrections as an opportunity to accumulate shares on our preferred names. The fund's strategy is to ride the structural changes and cyclical by being overweight consumer discretionary, industrials (i.e. logistics, construction and infra-related), and mining while underweight utilities and consumer staples as this cyclical rally continues.

Composition of the Fund



■ Equities (95%)  
■ Cash (5%)

Equity Sector Exposure

Property	18%	Power & Utilities	9%
Construction	15%	Retail	8%
Gaming	12%	Mining & Oil	7%
Consumer	11%	Others	15%

Top Ten Holdings

Holdings	Fund %
Vista Land & Lifescapes, Inc.	9.7%
Melco Resorts And Entertainment (Philippines) Corp	6.6%
Filinvest Land, Inc.	6.5%
Megawide Construction Corp.	5.5%
Eagle Cement Corp.	4.5%
Shakey'S Pizza Asia Ventures Inc.	4.3%
Nickel Asia Corporation	4.0%
Pilipinas Shell Petroleum Cor.	3.9%
Wilcon Depot, Inc.	3.9%
Philippine Seven Corporation	3.8%

Monthly Performance %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Cumulative
2012									-0.87%	0.75%	1.74%	5.02%		6.71%
2013	7.89%	6.58%	0.04%	6.92%	-4.23%	-7.27%	4.97%	-8.85%	-0.89%	2.57%	-3.72%	-0.91%	1.36%	8.16%
2014	-0.04%	5.69%	-1.56%	9.86%	-1.52%	3.68%	1.36%	-2.30%	5.22%	2.20%	-0.30%	9.84%	36.02%	47.13%
2015	0.09%	-3.28%	-5.36%	-0.24%	-5.08%	-4.19%	4.85%	-11.61%	-6.08%	6.63%	-6.06%	-2.80%	-29.56%	3.64%
2016	-11.85%	5.46%	10.34%	-0.89%	4.61%	5.71%	5.07%	2.90%	-1.99%	-1.24%	-2.83%	-1.43%	12.68%	16.78%
2017	5.55%	-0.47%	2.55%	4.48%	7.20%	-0.55%	0.24%	2.23%	0.42%	-2.15%	-0.30%	0.40%	20.94%	41.23%
2018	3.18%												3.18%	45.73%

Fund Details

NAVPS publication	Trade date + 1
Types of shares	Common
Transfer Agent	ATR AM
Custodian	Citibank N.A. Manila
Fund Accountant	Deutsche Bank AG, Manila Branch
Auditor	SGV & Co.

Portfolio Analytics\*

Percentage of Positive Months	52.31%
Average Gain in Positive Months	4.30%
Sharpe Ratio	0.27
Correlation with Reference BM	0.78
Beta (relative to reference BM)	0.82
Jensen's Alpha (relative to reference BM)	1.35%

\*Since launch

Definitions

**Beta** of a fund measures its relationship with the benchmark. A beta of exactly 1 means that the fund's returns generally mirror the pattern of its benchmark's returns. A beta of greater than 1 means the fund will move in the same direction as the benchmark but by a greater amount. A beta of between zero and 1.0 implies that the fund's NAVps should generally move in the same direction as the benchmark, although in lesser magnitude. A beta of exactly zero implies that the fund's pattern of returns is completely unrelated to the movement of the benchmark's returns. A negative beta indicates that the choice of benchmark may be inappropriate, and that a different benchmark should be selected.

**Correlation** measures how closely the movements of two variables are synchronized with each other. The maximum attainable correlation of 1.0 means that a pair of variables moves in perfect lockstep, in the same direction and magnitude; at the other extreme, the minimum possible correlation of -1.0 denotes that a pair of variables moves as perfect mirror images; meanwhile a correlation of exactly zero implies that the variables behave completely independently of each other. In the analysis of investments, correlation compares the direction and magnitude of a fund's returns with the direction and magnitude of a reference benchmark's returns.

**Information Ratio** measures how much excess return over a reference benchmark's returns an investment has yielded relative to the variability of said excess returns over benchmark returns. Information ratio is computed as the ratio of the mean of the fund's excess returns over benchmark returns (i.e., the *relative return*) to the fund's tracking error (i.e., the *relative risk*).

**Jensen's alpha** is a measure of a fund's excess return over its expected return as computed using CAPM (Capital Asset Pricing Model). The expected return considers the benchmark return, the fund's beta and the risk-free rate of return. A value of 1% indicates that the fund beat its expected return by 1%.

**Risk-adjusted Return** measures how much *absolute return* an investment has yielded relative to the amount of *absolute risk* taken. Risk-adjusted return is calculated by dividing the mean (average) of a fund's return by the standard deviation of the fund's returns.

**Sharpe Ratio** is a measure of risk-adjusted performance and is defined as the ratio of excess return over the volatility of an investment. Excess return refers to the return of the investment over the risk-free rate of return. A higher ratio means better risk-adjusted performance.

**Standard Deviation** is a measure of how widely dispersed the fund's returns are away from the mean of the fund's returns. A basic and widely-used statistical concept, standard deviation is often employed as a measure of *absolute risk* in the analysis of investments.

**Tracking Error** is a measure of how widely dispersed the fund's excess returns over the reference benchmark's returns were with respect to the mean of the fund's excess returns over benchmark returns. Tracking error is computed as the standard deviation of the fund's excess returns over benchmark returns. Tracking error is a measure of *relative risk*.