OCTOBER 30, 2017

ATRAM Alpha Opportunity Fund, Inc.

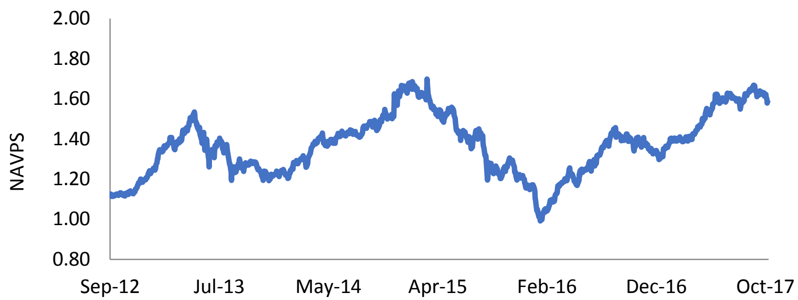
Investment Objective

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).

Fund Manager	ATRAM
Bloomberg Ticker	ALPHAOP PM
Inception Date*	17 September 2012
Currency	PHP
Fund Size	393.12 Million
NAVPS	1.5952
Domicile	Philippines
Asset Class	Equities
Reference Benchmark	MSCI Phil. Small Cap Index
Management & Distribution Fee	2.0% p.a.
Risk & Investor Profile	High Risk
Dealing Frequency	Daily

**Date of conversion from money market fund*

Performance Overview



Cumulative Performance %

	1 Mo	1 Yr	3 Yrs	5 Yrs	YTD	Since TO
Fund	-2.15%	15.72%	5.02%	41.27%	20.82%	41.09%

Annualized Performance %

	1 Yr	2 Yr	3 Yrs	4 Yrs	5 Yrs
Fund	15.72%	11.49%	1.64%	5.62%	7.15%

Calendar Year Performance %

	2013	2014	2015	2016	2017 YTD	Since TO
Fund	1.36%	36.02%	-29.56%	12.68%	20.82%	41.09%
BM	1.33%	22.76%	-11.78%	15.88%	0.92%	40.14%
+/-	0.03%	13.26%	-17.78%	-3.19%	19.90%	0.95%

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	1.45	0.18	0.49	0.48
Information Ratio	2.50	0.05	0.06	0.02
Standard Deviation	10.50%	17.91%	17.32%	17.05%
Tracking Error	7.93%	12.23%	11.13%	10.97%

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

Manager's Review

The Philippine Stock Exchange Index (PSEi) hit a new all-time high (ATH) at 8,497 but ended October at 8,365 for a respectable 2.37% month-on-month (MoM) gain. The rally was driven by index heavyweights, led by SM Investments (SM) that contributed 41% of the index gain. However, due to valuation concerns, some funds took profits off the table and spurred foreign selling.
Excluding the large Ayala Corporation (AC) block, where the majority shareholder sold 0.86% of shares outstanding to a single foreign institutional fund, net foreign flow for the month would have been $119.03 million outflow instead of the headline number of $1.62 million inflow for October. Net year-to-date flows to $1.04 billion inflow.

Fund Attribution & Positioning

The ATRAM Alpha Opportunity Fund was down by 2.15% but outperformed its benchmark by 157 basis (bps) in October. Conviction bet on Macroasia Corp (MAC) and underweight position on Petron Corp (PCOR) were the main reasons for the outperformance. MAC continued its massive rally by gaining another 23.29% in October as year-to-date (YTD) return hit an impressive 688.38%. MAC went up because of the perceived undervaluation and was under owned by institutional investors. On the other hand, PCOR went down by 7.06% for the second straight month after shooting above 10.6. A decision by a tax court that denied PCOR its tax refund claim may have hurt sentiment.

Market Outlook

With the market hitting all-time highs in the past two months, we anticipate the market to consolidate within the 8,100 and 8,500 range. Third quarter corporate earnings will be the focus as investors will look to justify the already steep valuations of the market both historically and against regional peers. Aside from valuation concerns, foreign flows to emerging markets, and the Philippines will be key in determining market direction as passive funds continue to significantly influence the market in the absence of progress on the government's tax reform plan in the Senate. Nonetheless, the fund added exposures in the San Miguel group after the parent company consolidated its beverage and food units into a sprawling conglomerate. In terms of sector exposures, we are overweight services, financials and mining sectors while keeping enough cash reserves to take advantage of any tactical opportunities that the market may offer.

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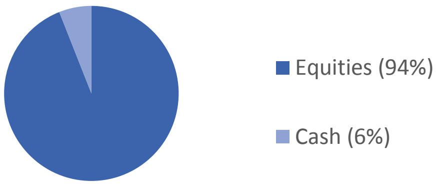
Composition of the Fund



Equity Sector Exposure

Property	17%	Power & Utilities	10%
Gaming	16%	Transportation	9%
Construction	13%	Financials	6%
Consumer	10%	Others	13%

Top Ten Holdings

Holdings	Fund %
Bloomberry Resorts Corporation	10.5%
Manila Water Company, Inc.	9.6%
Vista Land & Escapes, Inc.	8.8%
Filinvest Land, Inc.	6.2%
Melco Resorts and Entertainment (Philippines) Corp.	5.1%
Cebu Air, Inc.	5.0%
Nickel Asia Corporation	5.0%
Megawide Construction Corp.	4.6%
Rizal Commercial Banking Corp.	4.1%
Shakey's Pizza Asia Ventures, Inc.	4.0%

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%			20.82%	41.09%

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	51.61%
Average Gain in Positive Months	4.46%
Sharpe Ratio	0.26
Correlation with Reference BM	0.78
Beta (relative to reference BM)	0.82
Jensen's Alpha (relative to reference BM)	1.01%

*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*.

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