



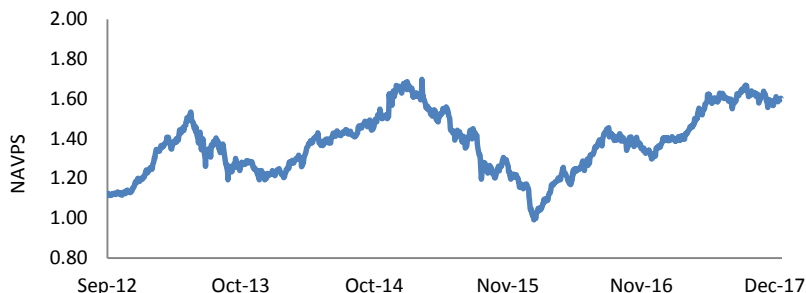
Investment Objective

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	432.75 Million
NAVPS	1.5968
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	0.40%	20.94%	-4.00%	32.35%	20.94%	41.23%

Annualized Performance %

	1 Yr	2 Yr	3 Yrs	4 Yrs	5 Yrs
Fund	20.94%	16.74%	-1.35%	6.90%	5.77%

Calendar Year Performance %

	2013	2014	2015	2016	2017 YTD	Since TO
Fund	1.36%	36.02%	-29.56%	12.68%	20.94%	41.23%
BM	1.33%	22.76%	-11.78%	15.88%	-0.62%	38.01%
+/-	0.03%	13.26%	-17.78%	-3.19%	21.56%	3.22%

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	2.09	0.01	0.41	0.47
Information Ratio	2.43	(0.18)	0.10	0.05
Standard Deviation	9.37%	17.01%	17.21%	16.79%
Tracking Error	8.09%	10.58%	11.09%	10.83%

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

Manager's Review

The Philippine Stock Exchange Index (PSEi) jumped 3.69% month-on-month (MoM) and finished 2017 with a new all-time high at 8,558.42. December started off weak when the index briefly broke its 8,100 support until it bounced back and trended upwards for the rest of the month. Due to the festive season, most investors took extended breaks and caused volume to dry up. Despite this, foreign funds were back as net buyers worth \$54.97 million of stocks after President Duterte signed package 1A of the comprehensive tax reform plan and the 2018 national budget on time for implementation next year. Headline foreign flows for the year was positive at \$1.10 billion but excluding the EDC tender offer, AC block and MER inclusion in the MSCI standard index, foreign buying for 2017 was lower at \$48.31 million.

Fund Attribution & Positioning

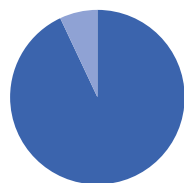
The ATRAM Alpha Opportunity Fund was up by 0.40% and underperformed its benchmark by 0.48% in December. Overweight exposure on Philippine Seven (SEVN) and underweight position in Double Dragon Properties (DD) were the main reasons for the underperformance. SEVN corrected 22.66% MoM after the hefty rally on no new company development except the valuation-neutral stock dividend. On the other hand, DD rose 6.08% MoM after a lethargic nine months after the company announced that it will complete the final phase (worth P3.3 billion) of its Meridian Park development. At the same time, the company said that it will push through with its P7.3 billion share sale in the first half of this year for its expansion program, which includes a network of industrial leasing hubs in forty provinces and community malls in 100 cities.

Market Outlook

The combination of certainty and relief brought by the signing of the first tax reform package (albeit at a lower take of P90 billion versus the expected P130 billion), lack of negative headlines and age-old window dressing pushed the market to a new high on muted volume. We anticipate the market to hold on to its recent gains and test the 9,000-index resistance before consolidating in the 8,500 and 8,900 range next month. Given the robust macroeconomic data expected and company earnings growth, manageable inflation, potential for more tax reform packages and the roll-out of the ambitious infrastructure development, we expect returns to remain attractive in 2018, but not at the same pace as in 2017.

The Fund's strategy for 2018 is to ride on the themes that we think will be the likely beneficiaries of the sustained economic growth, particularly the infrastructure development and tourism/logistics play. In terms of industry positioning, we are reducing our exposures in the utilities sector while adding undervalued property names. Tactically, we have added a new mining name as we believe this to be oversold and will likely see a turnaround when the government finalizes its regulatory priorities. Lastly, we have increased exposures to infrastructure related names and taken some profits on the gaming sector.

Composition of the Fund



■ Equities (93%)
■ Cash (7%)

Equity Sector Exposure

Property	18%	Retail	8%
Gaming	15%	Consumer	8%
Construction	14%	Financials	6%
Transportation	8%	Others	16%

Top Ten Holdings

Holdings	Fund %
Vista Land & Lifescapes, Inc.	8.3%
Filinvest Land, Inc.	7.8%
Melco Resorts And Entertainment (Philippines) Corp.	5.9%
Bloomberry Resorts Corporation	5.2%
Cebu Air, Inc.	5.0%
Megawide Construction Corp.	4.8%
Eagle Cement Corp.	4.6%
Rizal Commercial Banking Corp.	4.5%
Nickel Asia Corporation	4.0%
Philippine Seven Corporation	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%	-0.30%	0.40%	20.94%	41.23%

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	51.56%
Average Gain in Positive Months	4.34%
Sharpe Ratio	0.25
Correlation with Reference BM	0.78
Beta (relative to reference BM)	0.82
Jensen's Alpha (relative to reference BM)	1.21%
*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*.