

ATRAM Alpha Opportunity Fund, Inc.

March 31, 2017



www.atram.com.ph

Investment Objective

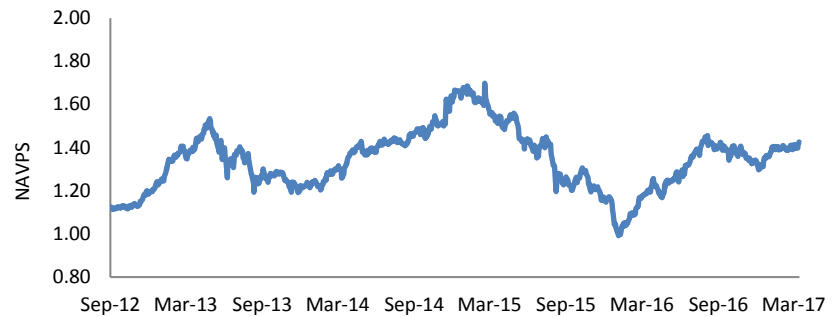
The Fund's investment objective is growth through capital appreciation. The Fund seeks to deliver returns over the long term by investing primarily in equity securities, with a focus on companies with strong growth potentials which are not included in the Philippine Stock Exchange Composite Index (PSEi). The Fund may also invest a portion of its assets in other securities such as fixed income, bonds and currencies depending on prevailing market conditions.

Fund Facts

Fund Manager	ATR AM
Bloomberg Ticker	ALPHAOP PM
Inception Date*	17 September 2012
Currency	PHP
Fund Size	346.98 Million
NAVPS	1.4224

*Date of conversion from money market fund

Performance Overview



Figures as of 03.31.2017

Cumulative Performance %

	1 Mo	1 Yr	3 Yrs	5 Yrs	YTD	Since Incept.
Fund	2.55	18.35	11.85	n.a.	7.73	25.81

NAVPS

	31-Dec-16	31-Jan-17	28-Feb-17	31-Mar-17
Fund	1.3203	1.3936	1.3870	1.4224

Manager's Report

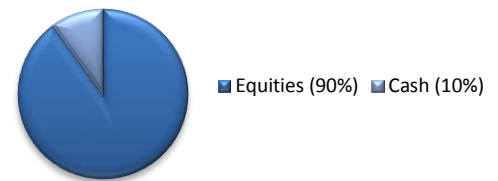
The Philippine Stock Exchange Index (PSEi) finally made some headway (+1.38% month-on-month) but still ended within the prevailing trading range established since the middle of January. Foreign outflows accelerated to \$252mn in March, more than double February's level. Local funds, however, were there to support the market despite the stalling of the much-awaited tax reform package in the lower house of Congress.

The ATRAM Alpha Opportunity Fund rallied by 2.55% and outperformed the MSCI Philippines Small Capitalization Index by 232 basis points in March. The overweight exposures in Xurpas Inc (X) and Belle Corp (BEL) provided the bulk of the outperformance. X (+18.26% month-on-month) continued to bounce back strongly after hitting its multi-year low in the middle of February. On the other hand, BEL was up by 16.96% month-on-month because of improved earnings transparency of City of Dreams (CoD) casino. BEL acts as CoD's landlord and enjoys a stable source of earnings (% of EBITDA) from the casino. At the same time, the prospect of higher number of Chinese players due to the vastly enriched relations between the governments of China and the Philippines has been a cause of improved investor sentiment to the whole industry.

The market consolidation offered the opportunity to add exposure to our favored names like Xurpas (X) and Wilcon Depot (WLCON) while reducing our exposures in the infrastructure sector (i.e. CHP and EEI). Next month, we aim to take advantage of any prospects that the market may offer as we expect the market to continue to be volatile. Locally, the incessant political noise continues to grab the headlines but is not yet seen to materially impact the country's solid economic fundamentals.

Portfolio Analysis

Composition of the Fund



Sector Exposure

Power & Utilities	24%	Construction	9%
Consumer	15%	Financials	7%
Property	11%	Holding Firms	5%
Gaming	10%	Others	9%

Top Ten Holdings

Manila Water Company, Inc.	13.7%
D&L Industries, Inc.	8.3%
Bloomerry Resorts Corporation	7.6%
Vista Land & Lifescapes, Inc.	5.9%
Cosco Capital, Inc.	4.7%
Cemex Holdings Philippines, Inc.	4.6%
Shakey's Pizza Asia Ventures, Inc.	4.0%
Wilcon Depot	4.0%
Xurpas, Inc.	3.9%
Belle Corporation	3.3%

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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	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										7.73	25.81

Performance	2017		Risk-adjusted Returns & Statistics			Portfolio Analytics*	
	YTD	Since launch		1 yr	Since launch		
Fund	7.73%	25.81%	Risk-adjusted return	1.63	0.37	Percentage of positive months	49.09%
Benchmark	7.04%	48.65%	Information ratio	0.23	(0.33)	Average gain in positive months	4.74%
Over/under performance	0.69%	-22.84%	Standard deviation	10.78%	17.68%	Sharpe ratio	0.17
						Correlation with reference BM	0.81
						Beta (relative to reference BM)	0.84
						Jensen's Alpha (relative to reference BM)	-2.29%

Note: Risk-adjusted returns and statistics are all annualized

*Since launch

Asset Class	Equities (Multi-asset)	NAVPS publication	Trade date + 1
Domicile	Philippines	Investment Manager	ATR AM
Risk & Investor Profile	High Risk	Transfer Agent	ATR AM
Reference Benchmark*	MSCI Phil. Small Cap Index	Custodian	Citibank N.A. Manila
Management & distribution fee	2.00% p.a.	Fund Accountant	Deutsche Bank AG, Manila Branch
Type of shares	Common	Auditor	SGV & Co.
Dealing frequency	Daily	Website	www.atram.com.ph

*ATRAM has changed its benchmark from Philippine Stock Exchange Index to MSCI Phil. Small Cap Index as of August 1, 2015.

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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