

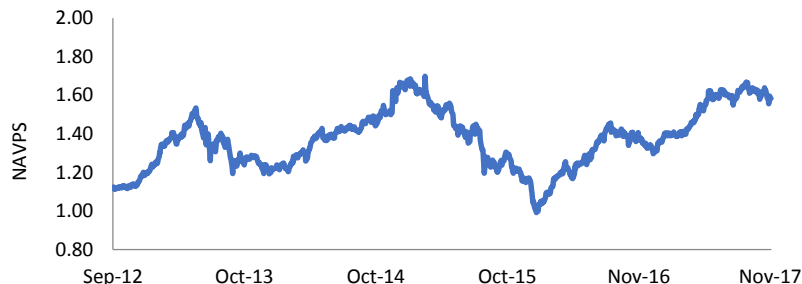
### Investment Objective

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>	432.77 Million
<b>NAVPS</b>	1.5904
<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	-0.30%	18.73%	5.02%	38.44%	20.46%	40.67%

### Annualized Performance %

	1 Yr	2 Yr	3 Yrs	4 Yrs	5 Yrs
Fund	18.73%	14.86%	1.65%	6.55%	6.72%

### Calendar Year Performance %

	2013	2014	2015	2016	2017 YTD	Since TO
Fund	1.36%	36.02%	-29.56%	12.68%	20.46%	40.67%
BM	1.33%	22.76%	-11.78%	15.88%	-1.49%	36.80%
+/-	0.03%	13.26%	-17.78%	-3.19%	21.95%	3.87%

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	1.82	0.18	0.46	0.47
Information Ratio	2.78	0.15	0.14	0.06
Standard Deviation	9.77%	17.91%	17.32%	16.92%
Tracking Error	7.79%	12.25%	11.12%	10.92%

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

### Manager's Review

The Philippine Stock Exchange Index (PSEi) slid by 1.33% month-on-month (MoM) as the market ranged with a downward bias after hitting all-time highs over the previous two months. The 3rd quarter earnings were mixed with the PSEi growing by 6% year-on-year (YoY). In addition to the unexciting results, relative valuation against ASEAN peers and its own historical levels were still steep. The index ended at 8,254.03, just above the support at 8,200 where foreign funds continued to reduce their Philippine stock holdings. Headline foreign flows turned negative for the first time this year at \$3.8 million. Excluding the EDC tender offer, AC block and MER inclusion in the MSCI standard index, foreign outflows have prevailed since September. Headline net year-to-date flows stood at \$1.04 billion inflow at the end of the month.

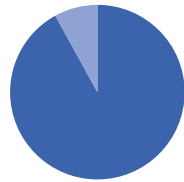
### Fund Attribution & Positioning

The ATRAM Alpha Opportunity Fund was down by 0.30% but outperformed its benchmark by 231 basis points (bps) in November. Overweight exposure on Philippine Seven (SEVN) and underweight position in Double Dragon Properties (DD) were the main reasons for the outperformance. SEVN rose 38.59% MoM as its third quarter earnings went by 18% YoY, as well as its store count. Even after the 65% stock dividend, retail investors bought up the stock on light volume. On the other hand, DD dropped by 7.53% MoM as the stock remained in the correction mode despite the company's strong third quarter earnings performance. The company grew by 66% YoY as planned non-cash depreciation charge of one of its power plant assets over 12 to 18 months. Driving sentiment worse, the Senate in a surprise move proposed to increase coal taxes by 3,000% over a three-year period when SCC is exempt from paying coal tax under current laws.

### Market Outlook

The Philippine Senate's approval of their version of the tax reform plan (package 1) was not enough to plug the market weakness especially given the unexciting third quarter corporate earnings. The market's inability to break through its all-time high will likely lead it to test its main support at the 8,000-8,150 range. If breached, 7,700 to 7,800 will be the next support level that will be needed to hold to retain the PSEi's upward bias. In any case, we are repositioning the fund to prepare for the themes that we think will be driver of stock performance next year. We still like the consumer, financial and infrastructure sectors as these industries stand to benefit from the government's infrastructure and tax reform plans.

## Composition of the Fund



■ Equities (92%)  
■ Cash (8%)

## Equity Sector Exposure

Property	18%	Power & Utilities	8%
Gaming	15%	Holding Firms	7%
Consumer	11%	Financials	7%
Construction	11%	Others	15%

## Top Ten Holdings

Holdings	Fund %
Vista Land & Lifescapes, Inc.	8.4%
Manila Water Company, Inc.	8.1%
Bloomberry Resorts Corporation	7.7%
Melco Resorts And Entertainment (Philippines) Corp.	5.5%
Filinvest Land, Inc.	5.4%
Rizal Commercial Banking Corp.	5.0%
Philippine Seven Corporation	4.7%
Megawide Construction Corp.	4.7%
Nickel Asia Corporation	4.3%
Macroasia 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%		20.46%	40.67%

## Fund Details

NAVPS publication  
Types of shares  
Transfer Agent  
Custodian  
Fund Accountant  
Auditor

Trade date + 1  
Common  
ATR AM  
Citibank N.A. Manila  
Deutsche Bank AG, Manila Branch  
SGV & Co.

## Portfolio Analytics\*

Percentage of Positive Months 50.79%  
Average Gain in Positive Months 4.46%  
Sharpe Ratio 0.25  
Correlation with Reference BM 0.78  
Beta (relative to reference BM) 0.82  
Jensen's Alpha (relative to reference BM) 1.31%  
\*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*.