

ATRAM Alpha Opportunity Fund, Inc.

September 30, 2015



www.atram.com.ph

Investment Objective

The Fund's investment objective is growth through capital appreciation. The fund seeks to deliver returns under various market conditions by investing in a range of local and international securities, providing exposure to bonds, equities, currencies, cash and other assets.

The Fund's current strategy is to deliver superior returns over the long term by investing primarily in small to middle capitalized equity securities, with a focus on companies with strong growth potentials.

Fund Facts

Fund Manager	ATR AM
Bloomberg Ticker	ALPHAOP PM
Inception Date*	17 September 2012
Currency	PHP
Fund Size	166.71 Million
NAVPS	1.2035

*Date of conversion from money market fund

Performance Overview



Figures as of 09.30.2015

Cumulative Performance %						
	1 Mo	1 Yr	3 Yrs	5 Yrs	YTD	Since Incept.
Fund	-6.08	-19.03	7.38	n.a.	-27.65	6.45
NAVPS						
	30-June-15	31-July-15	28-Aug-15	30-Sept-15		
Fund	1.3826	1.4497	1.2814	1.2035		

Manager's Report

The Philippine Stock Exchange index (PSEI) fell by 2.9% in September after a stream of negative external developments dragged the market lower on sustained foreign selling. The combination of the US Fed interest rate-hike overhang and the growing concerns on the global growth led by China intensified the global uncertainty across asset classes. Funds continued to flow out from emerging markets (EM) especially the commodity-producing countries hit by soft commodity prices caused by the slump in Chinese demand. The Philippines was not spared despite its relatively better external position and consumer-driven economy as foreigners remained net sellers with \$706mn outflow for the month.

Philippine inflation further slowed down to 0.6% in August, primarily weighed down by energy (-1.7% YoY) and transportation (-0.6%) costs. The latest figure put the Bangko Sentral ng Pilipinas' (BSP) 2%-4% target range in doubt for the rest of the year.

Money sent home by the Overseas Filipino Workers rose by 4.8%, staying close to the BSP's 5% goal for 2015 and is also seen to accelerate in the coming months in time for the holiday season. The Philippines' external position remains healthy and the country's gross international reserve (GIR), which serves as a buffer against negative external shocks, are well beyond the precautionary threshold of 6 months of import coverage, for the Philippines to remain insulated to the ongoing difficulties faced by the rest of Asia. As such, Fitch, a credit rating agency recently raised the Philippines' outlook from 'stable' to 'positive', citing improvements in governance standards and competitive indicators.

The Alpha Opportunity Fund fell by 6.08% but outperformed the MSCI PH Small Cap Index (MXPHSC) by 0.94% in September. Holdings in Xurpas Inc. helped fund performance as it seeks to enter new markets through aggressive acquisitions of both local and foreign-based companies. The decision to not invest in (FPH and EDC) contributed to the outperformance last month as their share prices weakened to continued project uncertainties.

We remain cautious in the current market environment as markets remain dependent on the ongoing negative news particularly the impact of China's slowing economy and weakness in commodity prices. Emerging markets, including the Philippines, will continue to be affected by the downbeat sentiment despite the country's superior position to withstand additional external shocks.

We expect earnings results for Q3 to be well within market expectations. We also see positive prospects for earnings growth in the low teens for 2016. On the macroeconomic front, low interest rates, low inflation and higher GDP growth numbers are expected for the remaining months of the year. We think these positive fundamentals could be a catalyst for some bargain hunting which should result in some marginal upside for the PSEI in the short term.

Portfolio Analysis

Composition of the Fund



■ Equities (87%)
■ Cash/Money Market (13%)

Sector Exposure

Financials	19%	Holdings	8%
Property	13%	Gaming	7%
Consumer	13%	Construction	4%
Power & Utilities	12%	Others	11%

Top Ten Holdings

Security Bank Corporation	13.3%
D&L Industries, Inc.	7.1%
Vista Land & Lifescapes, Inc.	5.8%
First Gen Corporation	4.7%
Filinvest Land, Inc.	4.2%
Cosco Capital, Inc.	4.1%
Xurpas Inc.	4.1%
Petron Corporation	4.1%
Cebu Air, Inc.	4.1%
Bloomberry Resorts Corporation	3.7%

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Any information or opinion expressed in this document is subject to change without prior notice. Be advised that past performance is not indicative of future performance. Shares of the ATRAM Alpha Opportunity Fund, Inc. are not deposits or obligations of, or guaranteed or endorsed by, any financial institution and are not insured by the Philippine Deposit Insurance Corporation (PDIC). Investment in shares of this mutual fund involves risk. See prospectus or contact ATR AM for a discussion of the investment risk factors. This mutual fund is primarily regulated by the Philippine Securities and Exchange Commission.

ATR Asset Management: 15th Floor Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City, Philippines

Trunk line: +632-8147800 | Fax: +632-8410315 | E-mail: ird@atram.com.ph | Website: www.atram.com.ph

ATRAM Alpha Opportunity Fund, Inc.

September 30, 2015



www.atram.com.ph

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%				-27.65%	6.45%

Performance			Risk-adjusted Returns & Statistics			Portfolio Analytics*	
	2015 YTD	Since launch		1 yr	Since launch		
Fund	-27.65%	6.45%	Risk-adjusted return	(1.03)	0.20	Percentage of positive months	48.65%
Benchmark	-12.39%	19.02%	Information ratio	(0.36)	(0.26)	Average gain in positive months	4.40%
Over/under performance	-15.26%	-12.57%	Standard deviation	18.69%	17.44%	Sharpe ratio	(0.01)
						Correlation with reference BM	0.72
						Beta (relative to reference BM)	0.84
						Jensen's Alpha (relative to reference BM)	-2.74%

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

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.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Any information or opinion expressed in this document is subject to change without prior notice. Be advised that past performance is not indicative of future performance. Shares of the ATRAM Alpha Opportunity Fund, Inc. are not deposits or obligations of, or guaranteed or endorsed by, any financial institution and are not insured by the Philippine Deposit Insurance Corporation (PDIC). Investment in shares of this mutual fund involves risk. See prospectus or contact ATRAM for a discussion of the investment risk factors. This mutual fund is primarily regulated by the Philippine Securities and Exchange Commission.

ATR Asset Management: 15th Floor Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City, Philippines
Trunk line: +632-8147800 | Fax: +632-8410315 | E-mail: ird@atram.com.ph | Website: www.atram.com.ph