

ATRKE Alpha Opportunity Fund, Inc.

April 30, 2015

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	268.32 Million
NAVPS	1.5204

*Date of conversion from money market fund

Performance Overview



Figures as of 04.30.2015

Cumulative Performance %

	1 Mo	1 Yr	3 Yrs	5 Yrs	YTD	Since Incept.
Fund	-0.24	8.83	n.a.	n.a.	-8.60	34.48

NAVPS

	30-Jan-15	27-Feb-15	31-Mar-15	30-Apr-15
Fund	1.6649	1.6103	1.5240	1.5204

Manager's Report

The Philippine Stock Exchange index (PSEi) fell 2.8% in the month of April and ended at 7714.82, which was dragged by heavy foreign funds outflows. The month started well, with the index level ascending above 8,000 but quickly retracted as the flows shifted from ASEAN countries to Hong Kong and China. Net foreign inflow year-to-date is at US\$865 million. Before the selloff, net foreign inflows were already close to US\$1.1 billion, already nearing the US\$1.26 billion net inflow for the whole of last year. The hefty valuations also made the market susceptible to profit taking. In the month, foreigners were net sellers for US\$203 million. Average daily turnover was at US\$255 million boosted by a block of Meralco shares. Excluding the block, turnover was at US\$225 million, slightly higher than the US\$216 million in March.

The banking sector was among the hardest hit this month as loan growth decelerates and yields are expected to rise. Conglomerates also declined as funds retreated from macro proxies. Consumer saw a large decline with Jollibee falling -9.5% mom on false rumors of a chicken shortage. Utilities also fell with Aboitiz Power and EDC falling by -3.5% and -4.7% mom respectively on negative news. Bloomberry, on the other hand, was up by +7.3% mom.

The ATRKE Alpha Opportunity Fund ended the month 24 basis points lower, versus the MSCI Philippine Small Cap Index which fell 3.73%. One of the gaming positions, Leisure and Resorts World Corp, increased 9.30% while top consumer pick, Robinsons Retail Holdings, gained 3.57%. The fund remains overweight both consumer services and industrial subsectors.

Philippine equities are seen to consolidate in May. Investors are likely to stay on the sidelines until all 1Q2015 results are released. The earnings should be an indication whether the market deserves to be trading at current valuations which appear to be hefty. So far, earnings released by banks have been in-line with expectations. Meanwhile, 1Q GDP is scheduled to be released at end of May. It would be interesting to see if government spending has rebounded from last year. The government's guidance for GDP this year is 6-7% growth.

Portfolio Analysis

Composition of the Fund



- Equities (93%)
- Cash/Money Market (7%)

Sector Exposure

Mining & Oil	18%	Power/Utilities	11%
Construction	17%	Manufacturing	7%
Retail	13%	Information Technology	7%
Gaming	11%	Others	9%

Top Ten Holdings

EEL Corporation	12.5%
Petron Corporation	10.6%
Robinsons Retail Holdings, Inc.	8.9%
Nickel Asia Corporation	7.4%
Semirara Mining & Power Corporation	6.8%
Xurpas, Inc.	6.7%
Melco Crown (Philippines) Resorts Corporation	6.0%
Leisure & Resorts World	5.1%
Concepcion Industrial Corporation	5.0%
Megawide Construction Corporation	4.8%

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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%									-8.60%	34.48%

Performance	Risk-adjusted Returns & Statistics				Portfolio Analytics*		
	2015 YTD	Since launch		1 yr	Since launch		
Fund	-8.60%	34.48%	Risk-adjusted return	0.69	0.78	Percentage of positive months	53.13%
Benchmark	6.70%	44.95%	Information ratio	(0.30)	(0.20)	Average gain in positive months	4.38%
Over/under performance	-15.29%	-10.47%	Standard deviation	13.57%	15.83%	Sharpe ratio	0.55
						Correlation with reference BM	0.65
						Beta (relative to reference BM)	0.75
						Jensen's Alpha (relative to reference BM)	0.24%

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	Philippine Stock Exchange Index	Custodian	HSBC
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.

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