

ATRKE Alpha Opportunity Fund, Inc.

January 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.

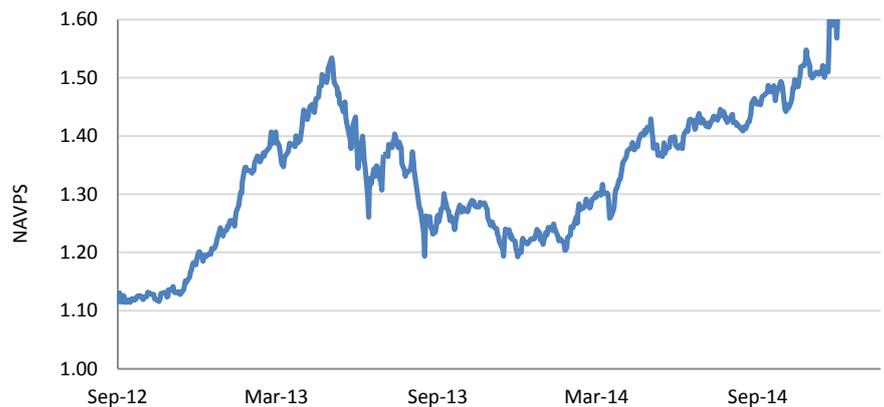
The Fund's current strategy is to deliver superior returns over the long term by investing primarily in small to middle capitalized equity securities, with a focus on companies with strong growth potentials.

Fund Facts

Fund Manager	ATR AM
Bloomberg Ticker	ALPHAOP PM
Inception Date*	17 September 2012
Currency	PHP
Fund Size	334.81 Million
NAVPS	1.6649

*Date of conversion from money market fund

Performance Overview



Figures as of 01.30.2015

Cumulative Performance %

	1 Mo	1 Yr	3 Yrs	5 Yrs	YTD	Since Incept.
Fund	0.09	36.20	n.a.	n.a.	0.09	47.26

NAVPS

	31-Oct-14	28-Nov-14	31-Dec-14	30-Jan-15
Fund	1.5190	1.5144	1.6634	1.6649

Manager's Report

Philippine equities were off to a good start. The Philippine Stock Exchange index (PSEI) performed strongly gaining as much as 6.4% month-on-month to close at an all-time high of 7,689.91. Flows from Global Exchange Traded Funds (ETFs) contributed to gains.

Among those that boosted sentiment from the market were falling oil prices and accommodative signals from the Fed as well as the European Central Bank's (ECB) larger-than-expected Quantitative Easing (QE) which further strengthened risk appetite. Oil prices were cut by around half from mid last year to around USD50 per barrel which has a positive impact on the Philippines: boosting consumer wallets, lower input prices, and beneficial to the country's current account.

Gains were seen across the board as only 6 out of the 30 members if the index failed to gain for the month of January. SM Investments alone contributed 20% of the index's 459-point gain. Other significant movers were Ayala Land (41 points), Metrobank (39 points), GT Capital (29 points), and SM Prime (28.55 points).

The Philippine market also had three equity placements at the first month of the year. Ayala Land (US\$350m), JG Summit (US\$200m) and First Gen (US\$168m) successfully raised a total of over US\$700m; all of those boosted foreign inflow which reached around US\$530m net for the month. MBT and EW also announced future rights issues which moved their respective share higher.

The country's healthy economy also helped boost inflow. A higher than expected GDP number came out at 6.9% in 4Q2014, bringing the full year to 6.1%. Government consumption jumped as well to 9.8% and construction was up at 21.9%. Inflation is down at 2.7% in December. Lower inflation, drop in oil prices, and an expected surge in government spending will support the strong outlook on the Philippine market.

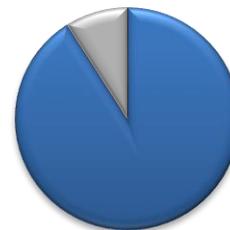
The Fund was flat to begin the year. It returned 0.08% in January. Xurpas and Max's group were led gainers. They both jumped 31%. Top holding Cebu Air rose 10% as it is a big beneficiary of weakening oil prices. Gains, however, were capped largely by Petron which took a hit on possible inventory losses on the oil price drop.

We are neutral on Philippine equities for 1st quarter of 2015. While the country's macro story remains rock solid, market valuations look a bit stretched. It is currently the most expensive market in the region trading at 18x 2015 PE. It may be vulnerable to profit-taking after the 25.45% total return in 2014 given that global growth concerns are increasing. We recognize, however, that there is still value in select companies particularly in the consumer sector. An environment of relatively lower oil prices and benign inflation should benefit certain consumer companies. Election spending should kickoff sometime this year. Consumer staple firms should be the main beneficiary.

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Portfolio Analysis

Composition of the Fund



- Equities (91%)
- Cash/Money Market (9%)

Sector Exposure

Construction	21%	Consumer	7%
Hotel/Leisure	19%	Retail	6%
Information Technology	11%	Property	4%
Transportation	9%	Others	13%

Top Ten Holdings

Melco Crown (Philippines) Resorts Corporation	12.1%
Xurpas, Inc.	11.2%
Cebu Air, Inc.	9.2%
Megawide Construction Corporation	6.8%
Leisure & Resorts World	6.7%
EEL Corporation	5.8%
MAX's Group, Inc.	5.6%
Concepcion Industrial Corporation	5.3%
Global-Estate Resorts, Inc.	4.3%
Robinsons Retail Holdings, Inc	4.3%

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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%												0.09%	47.26%

Performance	Risk-adjusted Returns & Statistics				Portfolio Analytics*		
	2015 YTD	Since launch	1 yr	Since launch			
Fund	0.09%	47.26%	Risk-adjusted return	2.30	1.10	Percentage of positive months	58.62%
Benchmark	6.35%	44.48%	Information ratio	0.50	0.09	Average gain in positive months	4.38%
Over/under performance	-6.26%	2.78%	Standard deviation	14.05%	15.79%	Sharpe ratio	0.87
						Correlation with reference BM	0.70
						Beta (relative to reference BM)	0.78
						Jensen's Alpha (relative to reference BM)	3.77%

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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