

ATRAM ASIA EQUITY OPPORTUNITY FEEDER FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT



www.atram.com.ph

As of February 26, 2021

FUND FACTS

<b>Classification</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU)</b>	PHP 118.101806
<b>Launch Date</b>	December 08, 2016	<b>Total Fund NAV</b>	PHP 6,238.03 Million
<b>Minimum Investment</b>	PHP 1,000	<b>Dealing Date</b>	Daily
<b>Additional Investment</b>	PHP 1,000	<b>Redemption Settlement</b>	Trade Date + 5 Business Days <sup>1</sup>
<b>Minimum Holding Period</b>	None	<b>Early Redemption Charge</b>	None
<b>Structure</b>	UITF, Unit Paying Feeder Fund	<b>Target Fund</b>	JPMorgan Asia Equity Dividend Fund

<sup>1</sup> ATRAM Trust reserves the right to settle on Trade Date + 7 Business Days if settlement of redemption from Target Fund gets delayed.

FEES <sup>2</sup>

<b>Trustee Fee</b> ATRAM Trust	0.88%	<b>Custodianship Fees</b> Deutsche Bank Citibank	0.00%	<b>External Auditor Fees</b> SGV and Co.	0.00%	<b>Other Fees</b> (Transaction Fees)	0.00%
-----------------------------------	-------	--	-------	---	-------	---	-------

<sup>2</sup> As a percentage of average daily NAV for the month valued at PHP 6,258.36 Million

The investor is advised to consider all fees and charges before investing in the Fund as they may be subject to higher fees arising from the layered investment structure of a feeder fund.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund seeks to achieve income and long-term capital growth by investing all or substantially all of its assets in a collective investment scheme that invests principally in equity securities of companies in the Asia Pacific region (excluding Japan).

CLIENT SUITABILITY

A client suitability process shall be performed prior to participating in the Fund to guide the prospective Investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

**The ATRAM Asia Equity Opportunity Feeder Fund is suitable ONLY for investors who:**

- have an aggressive risk appetite
- are comfortable with the volatility and risks of an equity fund
- have a long-term investment horizon
- are seeking broad market exposure to Asia Pacific (ex-Japan) equity securities

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

<b>Market Risk</b>	Factors (e.g. macroeconomic developments, political conditions) that affect the overall performance of financial markets may lead to lower prices of securities and losses for investors.
<b>Counterparty Risk</b>	The Fund is exposed to risks arising from solvency of its counterparties (e.g. custodian, broker, banks) and their ability to respect the conditions of contracts or transactions.
<b>Liquidity Risk</b>	Liquidity risk occurs when certain securities in a fund's portfolio may be difficult or impossible to sell at a particular time, which may prevent the redemption of investment in a fund until its assets can be converted to cash.
<b>Reinvestment Risk</b>	When income is received from the investments, or when the investments are sold and reinvested, there is a risk that the return would be lower than the return realized previously.
<b>Foreign Currency Risk</b>	The value of investments may be affected by fluctuations in the exchange rates of securities in a different currency other than the base currency of the Fund.
<b>Country Risk</b>	The Fund may suffer losses arising from investments in securities issued by/in foreign countries due to political, economic and social structures of such countries.

- THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

**Legal and Tax Risk** The interpretation and implementation of laws and regulations are constantly changing and they may change with retroactive effect. There is no certainty that investors will be compensated for any damage or loss incurred as a result of legal or regulatory changes.

**Distribution Risk** While the Target Fund Manager intends to distribute income (net of expenses) in respect of each accounting period, there is no assurance on such distribution or the distribution rate or dividend yield.

**Equity Risk** The Fund investments mainly in equity securities, the prices of which fluctuate daily, sometimes dramatically, which could result in significant losses.

**Dividend Paying Equity Risk** There can be no guarantee that the companies that the Target Fund invests in and which have historically paid dividends will continue to pay dividends or to pay dividends at the current rates in the future.

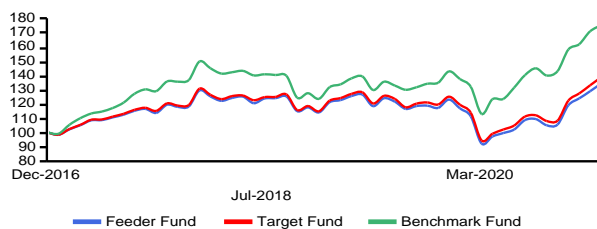
**Region Risk** The Fund may invest in emerging markets, particularly Asia, which increases potential volatility. Emerging markets are less developed and growth in the region is more uncertain.

The Fund Manager of the Target Fund employs a risk management process which enables them to monitor and measure the risk of the positions and their contribution to the overall risk profile of the Target Fund. Although care is taken to understand and manage the abovementioned risks, the Fund and accordingly the investors will ultimately bear the risks associated with the investments of the Target Fund.

**Investors should be aware and understand that all investments involve risk and that there is no guarantee against losses on investments made in the Fund. The Fund Manager employs strategies to mitigate risks, however, there is no assurance that no loss will be incurred.**

**FUND PERFORMANCE AND STATISTICS As of February 26, 2021**

(Purely for reference purposes and is not a guarantee of future results)



**NAVPU Over the Past 12 Months**

Highest	122.370542
Lowest	75.857336

**Statistics over the past 12 months**

Standard Deviation	24.08
Beta	1.03
Information Ratio	-1.18

**Standard Deviation** measures how widely dispersed the fund's returns are away from the average return of the fund.

**Beta** of a fund measures its relationship with the benchmark. A beta of 1 means the fund's returns generally mirror the pattern of its benchmark's return. A zero beta means that the fund's pattern of return is completely unrelated with the benchmark; a negative beta indicates the choice of benchmark may be inappropriate.

**Information Ratio** measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

**Cumulative Performance (%)**

	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs
FUND*	4.19%	12.80%	22.92%	20.72%	7.23%
BENCHMARK**	2.44%	10.75%	20.90%	32.79%	20.87%

\*Fund returns include the income paid out on distribution

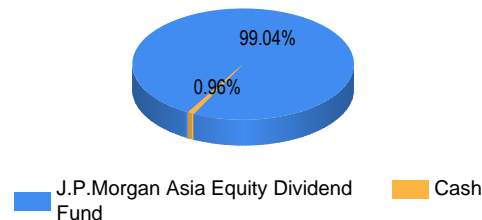
\*\*MSCI AC Asia Pacific ex Japan Net Index

**Unit Income Distribution Information**

Unit Income Payment date	Unit Income Per Unit Holding	Annualized Distribution Yield
26 Oct 2020	0.0034 units	4.10%
11 Nov 2020	0.0032 units	3.82%
18 Dec 2020	0.0030 units	3.64%
21 Jan 2021	0.0028 units	3.37%
19 Feb 2021	0.0028 units	3.40%

The Fund aims to distribute monthly, same as the Target Fund. Please note that amounts of distribution may vary, are not guaranteed, and are determined by the Trustee in accordance with the Plan Rules. Income distribution may result in an immediate decrease in NAVPU.

**Portfolio Composition**



Fund Details (Target Fund)	
Name of Fund	JPM Asia Equity Dividend Fund
Investment Manager	JP Morgan Funds (Asia) Limited
Fund Inception Date	May 31, 2013
Benchmark	MSCI AC Asia Pacific ex Japan Net Index
Base Currency	USD
Total Net Assets	1.38 B
Standard Deviation (3 Yr)	18.09
Beta (3 Yr)	0.97
Total Expense Ratio	1.01
ISIN Code	HK0000516143
SEDOL Code	BJR5T03
Bloomberg Code	JPAEDCU HK
Share Class	C MTH USD

Cumulative Performance* (%) (Target Fund)					
	YTD	3 mos	1 Yr	3 Yrs	5 Yrs
Target Fund	6.27	14.24	27.89	n/a	n/a
Benchmark	4.92	11.89	39.29	29.60	110.96

Investment Objective (Target Fund)
To aim to provide income and long term capital growth by investing primarily in equity securities of companies in the Asia Pacific region (excluding Japan) that the investment manager expects to pay dividends.

Asset Allocation (Target Fund)	
Asset Allocation	Equity: 98.90%
	Cash and Others: 1.10%

Top Ten Holdings (Target Fund)	
Name of issuer	% of Total
TSMC	9.5
Samsung Electronics	8.4
Ping An Insurance	3.5
Rio Tinto Limited	3.4
DBX Group Holdings Ltd.	3.0
Hong Kong Exchange	2.6
Infosys Limited	2.5
CLP Holdings Ltd	2.4
Mapletree Logistic	2.2
China Construction Bank	2.1

Regional Exposure	
	% of Total
China	24.6
Taiwan	18.2
Australia	14.6
Hong Kong	11.3
Korea	10.8
Singapore	7.6
Others	11.8

Sector Exposure	
	% of Total
Financials	27.9
Information	27.4
Others	11.3
Consumer Discretionary	9.2
Industrials	6.5
Consumer Staples	5.8
Utilities	5.7
Real Estate	5.1

**OTHER DISCLOSURES**

The Fund is a feeder fund and will invest all or substantially all of its assets in the JPMorgan Asia Equity Dividend Fund. Cash balances may be invested in deposit products and short-term government securities for liquidity management and not primarily as target investment outlets of the Fund.

**Investors should take into consideration that the base currency of the Fund is Philippine Peso while the Target Fund is denominated in US Dollars. Foreign currency positions of the Fund will not be hedged which may expose investors to higher risk.**

Participation in the Fund may be further exposed to the risk of potential or actual conflicts of interest in the handling of in-house or related party transactions by ATRAM Trust. These transactions may include: deposits with affiliates; purchase of own-institution or affiliate obligations (e.g. stocks); purchase of assets from or sales to own institutions, directors, officers, subsidiaries, affiliates or other related interests/parties; or purchases or sales between fiduciary/managed accounts. All transactions with related parties, if any, are conducted on an arm's length basis.

## OUTLOOK AND STRATEGY

(from the JPMorgan Asia Equity Dividend Fund Monthly Commentary dated February 28, 2021)

---

Markets – Asian markets finished up but experienced volatility as initial optimism over vaccine deployment was later eliminated by the fears over rising US treasury yield and inflation expectations. There was also a distinct style rotation from growth to more cyclical value during the period.

Helped – Underweight and stock selection in consumer discretionary and healthcare. Stock selection in materials and utilities.

Hurt – Stock selection in real estate.

Month in review

The Target Fund outperformed the benchmark as both stock selection and sector allocation added value.

On the positive side, underweight and stock selection in consumer discretionary and healthcare contributed the most. Against a backdrop of rising yield, some high growth stocks with no yield pulled back, including Alibaba, Tencent and NIO which the portfolio did not own. Stock selection in materials were strong as Australian mining names like Rio Tinto and BHP rallied along with commodity prices. Indian utility PowerGrid was also buoyed by the Indian budget which offered higher capital expenditure. Other top contributors include China Resources Land which reported strong sales. Several cities raised banks' upper limit of property loan ratio also helped sentiment. Finally, banking names such as Bank Rakyat, BOC Hong Kong and DBS all did well on higher yield and better economic recovery outlook.

On the negative side, stock selection in real estate hurt. The Fund Manager's REITs holdings like Mapletree Logistics suffered due to rising yield. Elsewhere, Hong Kong Exchanges consolidated on the back of valuations and news on potential hike in stamp duty. A number of Chinese consumer names, including Haier Smart Home, Topsports and Midea, were dragged down partly because of profit taking and partly because investors were concerned about rising raw material prices may impact home appliance makers.

Looking ahead

Recent market selloffs underscore the volatility that will be mainstay of the year ahead as investors balance already high valuations with increasing optimism that pent-up demand will boost earnings.

It is important to note that accommodative central banks and large fiscal stimulus packages should create a solid landscape for economic growth until governments reduce lockdowns. A strong US growth trajectory due to large fiscal stimulus will be helpful for Asian economies and industries that cater to US demand.

The path of the US Dollar from its currently low levels will also shape the environment for Asian equities.

Overall, valuations are above average, but earnings revisions are positive across a broader range of sectors.

The Fund Manager maintains a diversified positioning in quality franchises, defensives and value cyclicals for both income and growth opportunities. During the month, they increased exposures to banks while trimming select exchanges and consumer names. They also exited selective REITs. They remain overweight in financials and technology.

---