

ATRAM EMERGING MARKETS BOND FEEDER FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT



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As of February 26, 2021

FUND FACTS

<b>Classification</b>	LT Bond Fund	<b>Net Asset Value per Unit (NAVPU)</b>	USD 0.979681
<b>Launch Date</b>	November 13, 2013	<b>Total Fund NAV</b>	USD 0.29 Million
<b>Minimum Investment</b>	USD 1,000	<b>Dealing Date</b>	Daily
<b>Additional Investment</b>	USD 500	<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, Feeder Fund	<b>Target Fund</b>	Franklin Templeton Investment Funds - Templeton Emerging Markets Bond 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	0.61%	<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%
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<sup>2</sup> As a percentage of average daily NAV for the month valued at USD 0.29 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 aims to achieve long-term capital appreciation by maximizing total returns, consisting of a combination of interest income, capital appreciation and currency gains by investing all or substantially all of its assets in a fixed income collective investment scheme that invests principally in a portfolio of fixed and floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities located in developing or emerging market countries.

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 Emerging Markets Bond Feeder Fund is suitable ONLY for investors who:

- have a moderately aggressive risk appetite
- are comfortable with volatility and risks of a bond fund
- have a medium to long-term investment horizon
- are seeking to invest in emerging market debt 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.

**Interest Rate Risk** The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates. As the prices of bond investments of a Fund adjust to a rise in interest rates, the Fund's unit price may decline.

**Credit/Default Risk** An investor is exposed to credit risk as there is a possibility that a borrower may fail to pay the principal and/or interest in a timely manner on instruments such as bonds, loans, or other form of debt securities which the borrower used.

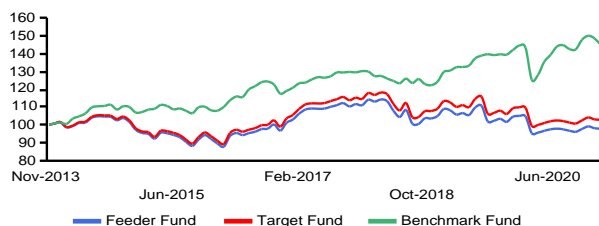
**Region Risk** The Fund is focused on emerging markets which increases potential volatility. Emerging markets are less developed and growth in the region is more uncertain.

**Hedging Risk** The Target Fund may use derivative financial instruments for hedging purposes. There is no guarantee that the effectiveness of a hedging instrument shall remain throughout the term of the underlying investment. Should the hedging instrument become ineffective, liquidating this based on market prices may result to market losses.

Active risk management has been core to the portfolio discipline and firm of the Target Fund's Investment Manager, Franklin Templeton Investments Corp., a member of the Franklin Templeton Group. They approach risk management holistically: It encompasses their underlying fund operations, investment lifecycle activities, and portfolio stress testing and analysis. Each of these efforts is underpinned by their firm's core investment strategy and approach. Most of the Franklin Templeton portfolios are constructed using a bottom-up security selection process with a keen eye on the macroeconomic factors at work. Investment selection is driven by fundamental, research-driven analysis. In constructing portfolios, they look carefully at diversification, investment correlation, macroeconomic outlook, and benchmark alignment, where appropriate.

**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	1.052390
Lowest	0.937210

**Statistics over the past 12 months**

Standard Deviation	9.40
Beta	0.56
Information Ratio	-1.13

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

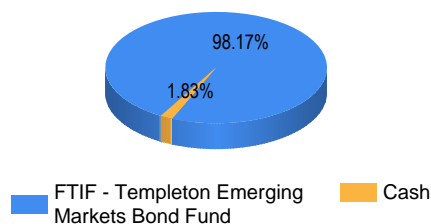
**Beta** of a fund measures its relationship with the benchmark. A beta of 1 means the fund's returns generally mirror the pattern of its benchmark's return. A zero beta means that the fund's pattern of return is completely unrelated with the benchmark; a negative beta indicates the choice of benchmark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

<b>Cumulative Performance (%)</b>					
	<b>1 Mo</b>	<b>3 Mos</b>	<b>6 Mos</b>	<b>1 Yr</b>	<b>3 Yrs</b>
FUND	-0.09%	0.27%	0.47%	-6.51%	-13.42%
BENCHMARK*	-2.56%	-2.12%	-0.01%	0.99%	13.68%

\*JP Morgan EMBI Global Index

**Portfolio Composition**



Fund Details (Target Fund)	
Name of Fund	FTIF - Templeton Emerging Markets Bond Fund
Investment Manager	Franklin Templeton Investments Corp.
Fund Inception Date	July 05, 1991
Benchmark	JP Morgan EMBI Global Index
Base Currency	USD
Total Net Assets	4.99 B
Credit Rating	BBB-
Yield To Maturity	6.07
Duration	1.98 Yrs
Standard Deviation (3 Yr)	10.64
Sharpe Ratio (3 Yr)	-0.52
Total Expense Ratio	0.90
ISIN Code	LU0195951966
SEDOL Code	B020FK2
Bloomberg Code	TEMEFIA LX
Share Class	I Acc USD

Cumulative Performance* (%) (Target Fund)					
	YTD	3 mos	1 Yr	3 Yrs	5 Yrs
Target Fund	-1.50	0.52	-6.07	-11.91	15.41
Benchmark	-3.75	-2.02	0.99	13.68	31.60

Investment Objective (Target Fund)
The Fund aims to maximize total investment return, consisting of a combination of interest income, capital appreciation and currency gains by investing principally in a portfolio of fixed and floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities located in developing or emerging market countries.

Asset Allocation (Target Fund)	
Asset Allocation	Fixed Income: 89.84%
	Cash & Cash Equivalents: 10.16%

Top Ten Holdings (Target Fund)	
Name of issuer	% of Total
Government of Indonesia, senior bond, FR61, 7.00%, 5/15/22	4.4
Government of Mexico, senior bond, M, 6.50%, 6/09/22	4.3
Government of Indonesia, senior bond, FR63, 5.625%, 5/15/23	4.2
Bonos de la Tesoreria de la Republica en pesos, 144A, Reg S, 4.00%, 3/01/23	4.2
Bank of Thailand Bond, senior note, .90%, 2/24/22	4.0
Bonos de la Tesoreria de la Republica en pesos, 2.50%, 3/01/25	3.8
Government of Mexico, senior note, M, 7.25%, 12/09/21	3.2
Bonos de la Tesoreria de la Republica en pesos, senior note, 4.50%, 3/01/21	2.7
Bank of Thailand Bond, senior note, 1.32%, 11/25/21	2.7
Government of India, senior note, 8.15%, 6/11/22	2.5

Regional Exposure	
	% of Total
Indonesia	12.8
Chile	10.6
Thailand	10.0
Colombia	9.9
Mexico	9.8
Argentina	9.5
India	8.8
Others	18.4

Sector Exposure	
	% of Total
Local Curr. Govt/Agency Bonds: Investment Grade	61.8
Local Curr. Govt/Agency Bonds: Non-Investment Grade	20.3
Non-Local Curr. Sovereign Bonds: Non-Investment Grade	8.6
Supranational	0.3
Convertibles	0.1
Corporate Bonds: Non-Investment Grade	0.0
Others	-1.3

**OTHER DISCLOSURES**

The Fund is a feeder fund and will invest all or substantially all of its assets in the Franklin Templeton Investment Funds - Templeton Emerging Markets Bond 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.

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 Templeton Emerging Markets Bond Fund Monthly Commentary dated 28 February 2021)

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The US dollar (USD) continued to strengthen against a number of emerging market currencies, with some notable exceptions. Currency positions in Asia ex Japan (the Indian rupee, Indonesian rupiah and Thai baht) detracted from absolute Target Fund performance. However, currency positions in Latin America contributed to absolute Target Fund results (the Argentine peso and Chilean peso contributed, while the Colombian peso detracted). The Target Fund's position in the Russian ruble also contributed to absolute performance. The Fund Manager continues to see investment value in select currencies against the USD, notably in countries with healthier fiscal balances, favorable trade dynamics and stronger growth potential.

The Target Fund's net-positive position in the Japanese yen detracted from absolute results. The Fund Manager expects the Japanese yen to appreciate against the USD in upcoming months given Japan's strong external balance.

Yields rose significantly in several emerging markets, including Indonesia, India, Colombia and Mexico. Select duration exposures in Latin America and Africa contributed to absolute Target Fund performance (Argentina and Ghana contributed, while Colombia detracted). The Fund Manager continues to emphasize select local-currency bonds in countries that they view as having resilient fundamentals and attractive risk-adjusted yields.

From a positioning standpoint, the Fund Manager continues to maintain low portfolio duration. They continue to emphasize select local-currency bonds in countries that they view as having resilient fundamentals and attractive risk-adjusted yields. They are holding various unhedged local-currency positions, notably in Indonesia, India, Ghana and Colombia. They are also focusing on value opportunities in specific currencies, particularly in countries with strong trade dynamics, current account surpluses, better fiscal management and stronger growth potential, notably in Asia. They have notable long exposures in the Japanese yen, Indonesian rupiah, Indian rupee and Chinese yuan against the USD. They also continue to broadly avoid credit sectors, which remain overvalued and vulnerable to ongoing economic damage, in their view. Nonetheless, they have become increasingly constructive in various areas of the global fixed income markets, notably in areas of Asia, as they expect vaccine distributions to improve economic activity in the second half of 2021.

The Fund Manager expects improving macroeconomic conditions in 2021 as vaccines are increasingly distributed. It will take some time to achieve critical immunity levels, but they expect a surge in economic activity in the spring and summer months as people increasingly re-engage with the world. They continue to be constructive in a number of regions as the world transitions towards a post-COVID era, with a particular focus on areas of Asia that have addressed the health crisis and economic crisis more effectively.

However, it remains crucial to be highly selective as there is wide variance in not only how well vaccines are being distributed, but importantly, how well countries have broadly contained COVID-19, handled fiscal and monetary policy, and supported their economies. Additionally, near-term risks remain elevated as high levels of COVID-19 cases in Europe, the US and Latin America compel governments to maintain mobility restrictions that continue to damage economic activity. Given the wide variance amongst countries, the Fund Manager expects staggered timelines for economic recoveries and for specific investment opportunities.

Environmental, social and governance (ESG) factors will play a major role in rebuilding the post-COVID world. Social cohesion and good governance have the power to accelerate a country's post-crisis recovery, or the lack thereof can stymie it. Tragically the Fund Manager has seen the consequences of weak ESG factors in specific emerging markets during the pandemic. Countries that were less prepared for a health crisis due to weaker health care systems and less developed infrastructure, and/or less prepared for an economic crisis due to fiscal imbalances, high levels of debt and external dependencies, have suffered greater damage. By contrast, countries that were in stronger fundamental shape before the crisis, with stronger institutions, lower levels of debt and more diversified economies, have generally fared better.

Widening income inequality in many countries also remains a critical issue that threatens to undermine economic stability and intensify social discord. Damaged economies and elevated unemployment from the pandemic have only worsened several pre-existing structural problems. Countries that effectively address these challenges in the years ahead can strengthen the underpinnings of their economies, while those that neglect these factors risk further instability. The Fund Manager expects ESG to be a defining characteristic for global fixed income markets in years ahead. Countries that are projected to improve on ESG factors often present the strongest investment opportunities.

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