

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



www.atram.com.ph

As of September 30, 2020

FUND FACTS

Classification	LT Bond Fund	Net Asset Value per Unit (NAVPU)	USD 0.966462
Launch Date	November 13, 2013	Total Fund NAV	USD 0.34 Million
Minimum Investment	USD 1,000	Dealing Date	Daily
Additional Investment	USD 500	Redemption Settlement	Trade Date + 5 Business Days ¹
Minimum Holding Period	None	Early Redemption Charge	None
Structure	UITF, Feeder Fund	Target Fund	Franklin Templeton Investment Funds - Templeton Emerging Markets Bond Fund

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

FEES ²

Trustee Fee ATRAM Trust	0.72%	Custodianship Fees Deutsche Bank Citibank	0.00%	External Auditor Fees SGV and Co.	0.02%	Other Fees (Transaction Fees)	0.00%
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² As a percentage of average daily NAV for the month valued at USD 0.34 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.

Market Risk	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.
Counterparty Risk	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.
Liquidity Risk	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.
Reinvestment Risk	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.
Foreign Currency Risk	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.
Country Risk	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.

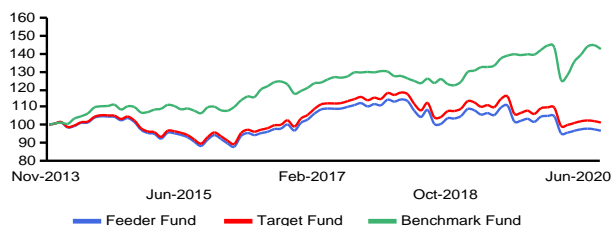
Region Risk The Fund is focused on emerging markets which increases potential volatility. Emerging markets are less developed and growth in the region is more uncertain.

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 September 30, 2020
(Purely for reference purposes and is not a guarantee of future results)



NAVPU Over the Past 12 Months

Highest	1.057740
Lowest	0.937210

Statistics over the past 12 months

Standard Deviation	9.76
Beta	0.60
Information Ratio	-1.24

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.

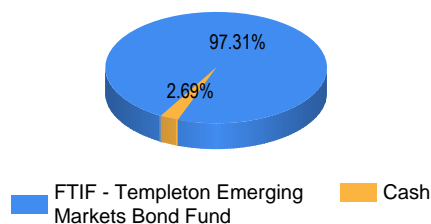
Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

Cumulative Performance (%)

	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs
FUND	-0.88%	-0.90%	1.41%	-5.58%	-13.94%
BENCHMARK*	-1.52%	2.28%	13.75%	2.47%	10.15%

*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	6.19 B
Credit Rating	BBB-
Yield To Maturity	4.28
Duration	1.71 Yrs
Standard Deviation (3 Yr)	10.70
Beta (3 Yr)	0.66
Sharpe Ratio (3 Yr)	-0.51
Total Expense Ratio	0.90
ISIN Code	LU0195951966
SEDOL Code	B020FK2
Bloomberg Code	TEMEFIA LX
Share Class	I Acc USD

Cumulative Performance* (%) (Target Fund)					
	3 mos	YTD	1 Yr	3 Yrs	5 Yrs
Target Fund	0.78	-8.06	-4.24	-11.10	10.98
Benchmark	7.03	2.06	3.82	11.98	34.39

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: 93.39%
	Cash and Others: 6.61%

Top Ten Holdings (Target Fund)	
Name of issuer	% of Total
Letra Tesouro Nacional, Strip, 7/01/21	5.7
Letra Tesouro Nacional, Strip, 10/01/20	5.2
Government of Mexico, senior bond, M, 8.00%, 12/07/23	4.0
Government of Indonesia, senior bond, FR61, 7.00%, 5/15/22	3.6
Government of Mexico, senior bond, M, 6.50%, 6/09/22	3.5
Bonos de la Tesoreria de la Republica en pesos, 144A, Reg S, 4.00%, 3/01/23	3.3
Bank of Thailand Bond, senior note, .90%, 2/24/22	3.2
Government of Indonesia, senior bond, FR63, 5.625%, 5/15/23	3.2
Bonos de la Tesoreria de la Republica en pesos, 2.50%, 3/01/25	2.9
Government of Mexico, senior note, M, 7.25%, 12/09/21	2.6

Regional Exposure	
	% of Total
Brazil	14.4
Mexico	13.4
Indonesia	11.2
Chile	9.0
Argentina	8.8
Thailand	8.2
Colombia	7.9
Ghana	7.3

Sector Exposure	
	% of Total
Local Curr. Govt/Agency Bonds: Investment Grade	56.7
Local Curr. Govt/Agency Bonds: Non-Investment Grade	30.6
Non-Local Curr. Sovereign Bonds: Non-Investment Grade	3.5
Supranational	0.2
Corporate Bonds: Non-Investment Grade	0.0
Convertibles	0.0
Others	2.4

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 30 September 2020)

The US dollar broadly strengthened against a number of developed and emerging market currencies during the month, with some notable exceptions. Currency positions in Latin America (the Argentine peso, Colombian peso and Mexican peso) and Asia ex Japan (the Indonesian rupiah) detracted from absolute Target Fund performance.

The Target Fund's net-negative position in the Australian dollar contributed to absolute results, as did its net-positive position in the Japanese yen. The negative exposure to the Australian dollar is intended to hedge against broad-based beta risks in emerging markets, as the currency shares emerging market risk factors, including linkages to China's economy and commodity markets. The Fund Manager also continued to maintain a net-positive position in the Japanese yen for its fundamental value and perceived safe-haven characteristics, given Japan's strong external balances.

Developed market sovereign bond yields declined during September, as several perceived safe-haven assets rallied on broad risk aversion across global financial markets but rose in several emerging markets. Select duration exposures in Latin America (Argentina) and Africa (Ghana) contributed to absolute Target Fund performance.

The Fund Manager remains cautious on the risk profiles across global fixed income markets as the COVID-19 pandemic continues to impact economic activity around the world. The broad-based selloffs across asset classes in September demonstrate the highly correlated and currently vulnerable state of global financial markets, in their assessment. Several asset classes remain broadly overvalued, in their view, reflecting an underappreciation for the likelihood for successive waves of infections, growing insolvencies and deepening economic hardship. They see elevated risks for a significant correction in financial markets given the extreme dislocations between asset prices and macroeconomic fundamentals.

The Fund Manager continues to aim at positioning their strategies to be uncorrelated to vulnerable asset classes while delivering high income and defending capital. They are currently focusing on specific perceived safe-haven investments, while emphasizing a select set of higher-yielding emerging markets that have relatively resilient domestic economies. They are aiming to derive alpha from different sources than the low-to-negative yielding developed fixed income markets, which have limited upside potential left and asymmetric interest-rate risks as yields grind to historic lows.

The Fund Manager continues to see conditions for a gradual recovery in the global economy, with the potential for setbacks and multiple stages of relief rallies and corrections in financial markets before a more sustainable growth recovery takes hold. There are still unknowns over how long the pandemic will last and what the impacts will be as governments struggle to effectively maintain reopened economies.

Additionally, economic recoveries in many regions have shown signs of levelling off in recent months, demonstrating that the improvements in the late spring and summer months were rebounds from the extreme low points in March and April, not trends that could be extrapolated through upcoming quarters. The Fund Manager remains concerned that as the pandemic persists through the fall and winter months that cost-cutting by businesses and rising insolvencies will worsen with each month of stifled activity. Geopolitical risks also remain elevated as the United States heads towards elections in November and the United Kingdom struggles to agree to terms before its year-end deadline for withdrawal from the European Union. Elevated political and economic uncertainty, as well as significant overvaluations in several asset classes, pose risks for global financial markets in the quarter ahead.

The Fund Manager's outlook for emerging markets as a whole remains cautious; however, they see risk-adjusted value in specific countries. It remains crucial to be selective. Tragically they have seen the consequences of weak environmental, social and governance (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 to lives and livelihoods. 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. Several domestically oriented economies continue to have comparatively better prospects than externally dependent economies, given the collapse in global aggregate demand and diminished levels of trade. They continue to monitor broader conditions and expect that the impacts of the COVID-19 pandemic could persist for multiple quarters, potentially pushing out the timeline for when certain investment opportunities may become suitable.
