

ATRAM GLOBAL TECHNOLOGY FEEDER FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT



As of December 29, 2023

www.atram.com.ph

**FUND FACTS**

<b>Classification</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU)</b>	PHP 279.275716
<b>Launch Date</b>	April 30, 2018	<b>Total Fund NAV</b>	PHP 6,833.53 Million
<b>Minimum Investment</b>	PHP 100	<b>Dealing Date</b>	Daily
<b>Additional Investment</b>	PHP 100	<b>Redemption Settlement</b>	Trade Date + 7 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>	Fidelity Funds - Global Technology Fund

<sup>1</sup> ATRAM Trust reserves the right to settle the Fund earlier, but not earlier than T+5 Business Days

**FEES <sup>2</sup>**

<b>Trustee Fee</b> 1.20% ATRAM Trust	<b>External Auditor Fees</b> 0.00% SGV and Co.	<b>Benchmark Fees</b> 0.01%	<b>Fund Accounting Fees</b> 0.00%
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<sup>2</sup> As a percentage of average daily NAV for the month valued at PHP 6,708.80 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 long-term capital appreciation by investing all or substantially all of its assets in an equity collective investment scheme that invests principally in equity securities of companies throughout the world that derive or benefit significantly from technological advances and improvements.

**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 Global Technology 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 to invest in global 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.

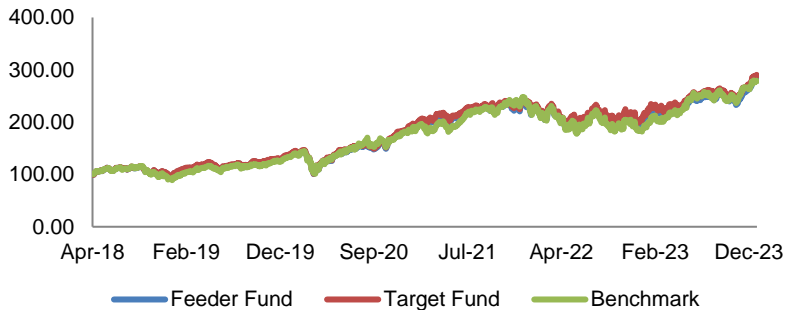
<b>Legal and Tax Risk</b>	The interpretation and implementation of laws and regulations are constantly changing and they may change with retroactive effect. There is no certainty that investors will be compensated for any damage or loss incurred as a result of legal or regulatory changes.
<b>Equity Risk</b>	The Fund investments mainly in equity securities, the prices of which fluctuate daily, sometimes dramatically, which could result in significant losses.
<b>Region Risk</b>	The Fund may invest in emerging markets which increases potential volatility. Emerging markets are less developed and growth in the region is more uncertain.
<b>Sector Risk</b>	The Fund is focused on technology-related sectors, as well as sectors that leverage on technology. The more specific the respective sector/theme, the more limited the investment universe and the more limited the risk diversification might be.  The Fund also invests into sustainable themes. This could expose the fund to environmental, social or governance events or conditions that can have a material effect on the return, depending on the relevant sector, industry, and company exposure.
<b>Derivatives Risk</b>	The Fund may use derivatives for hedging and investment purposes. However, usage will not be extensive and only for efficient portfolio management. The Fund may suffer losses from its derivatives usage.
<b>Hedging Risk</b>	The 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.
<b>Sustainability Risk</b>	The Target Fund invests into sustainable themes. This could expose the fund to environmental, social or governance events or conditions that can have a material effect on the return, depending on the relevant sector, industry, and company exposure.

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 December 29, 2023

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



### NAVPU Over the Past 12 Months

Highest	281.179441
Lowest	197.812112

### Statistics over the past 12 months

Standard Deviation	16.67
Beta	0.88
Information Ratio	-0.75

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

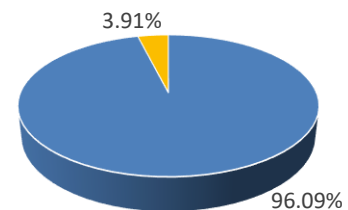
**Beta** of a fund measures its relationship with the benchmark. A beta of 1 means the fund's returns generally mirror the pattern of its benchmark's return. A zero beta means that the fund's pattern of return is completely unrelated with the benchmark; a negative beta indicates the choice of benchmark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

	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs
FUND	6.9%	14.27%	14.1%	40.79%	53.7%
BENCHMARK*	4.3%	15.05%	10.66%	49.77%	53.51%

\*MSCI ACWI Information Technology index

### Portfolio Composition



■ FF - Global Technology Fund ■ Cash

**Fund Details (Target Fund)**

Name of Fund	FF - Global Technology Fund
Investment Manager	FIL Investment (Luxembourg) S.A.
Fund Inception Date	September 01, 1999
Benchmark	MSCI ACWI Information Technology Index
Base Currency	USD
Total Net Assets	20.5 B
Standard Deviation (3 Yr)	19.71
Beta (3 Yr)	0.79
Sharpe Ratio (3 Yr)	0.42
Total Expense Ratio	1.19
ISIN Code	LU1046421795
SEDOL Code	BKWPZH4
Bloomberg Code	FFGTAAU LX
Share Class	A Acc USD

	<b>3 mos</b>	<b>YTD</b>	<b>1 Yr</b>	<b>3 Yrs</b>	<b>5 Yrs</b>
Target Fund	16.9	43.9	43.9	34.70	178.60
Benchmark	17.6	51.1	51.1	32.60	183.60

**Investment Objective (Target Fund)**

The fund aims to provide investors with long-term capital growth, principally through investment in the equity securities of companies throughout the world, that have, or will, develop products, processes or services that will provide, or will benefit significantly from, technological advances and improvements.

**Asset Allocation (Target Fund)**

Asset Allocation	Equity: 98.90%
	Cash and Others: 1.10%

**Top Ten Holdings (Target Fund)**

Name of issuer	% of Total
Microsoft Corp	4.8
Apple Inc	4.3
Taiwan Semiconductor Mfg Co Ltd	3.9
Ericsson	3.6
Qualcomm Inc	3.0
Amazon.com Inc	2.9
Alphabet Inc	2.9
Samsung Electronics Co Ltd	2.8
Autodesk Inc	2.6
Fidelity National Information Services Inc	2.5

**Regional Exposure**

	% of Total
United States	56.6
Taiwan	6.4
South Korea	5.1
Japan	4.7
China	4.6
Sweden	4.3
United Kingdom	4.0
France	3.4
Netherlands	3.3
Others	6.5

**Sector Exposure**

	% of Total
Information Technology	59.3
Communication Services	12.4
Consumer Discretionary	8.6
Financials	7.7
Industrials	7.1
Energy	1.8
Real Estate	1.7
Consumer Staples	0.3

**OTHER DISCLOSURES**

The Fund is a feeder fund and will invest all or substantially all of its assets in the Fidelity Funds - Global Technology 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 Fidelity Global Technology Fund Monthly Performance Review dated December 2023)

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### Market Environment

Global equities reversed the Q3 narrative and advanced during the last quarter, driven by optimism surrounding potential interest rate cuts in 2024, following dovish signals from the Federal Reserve (Fed). A downward trend in inflation further supported the prospects of a soft landing and buoyed investor sentiment. Against this backdrop, all regional indices performed well. Developed markets outperformed emerging markets amid ongoing worries over China's real estate sector. The US and Europe emerged as the top performers, owing to a slowdown in inflation and refreshed hopes of imminent rate cuts. The Fed kept interest rates steady at a range from 5.25% to 5.50% for a third consecutive meeting during December. UK equities advanced but lagged the broader market. Japanese equities rose on improving macro-economic outlook and investor sentiment. Against this backdrop, all sectors ended in positive territory, with the energy sector reversing the upward trend on the back of weakening crude oil prices. Information technology and real estate sectors posted the largest gains. From a style perspective, growth stocks outperformed their value counterparts as the end of 'higher for longer' rates fears underpinned strong returns, while small and mid-cap stocks fared better than large cap. Among IT sub-sectors, semiconductors & semiconductor equipment, software, and IT services were the leading gainers.

### Fund Performance

The Target Fund returned 11.9%, while the index returned 12.7% over the quarter.

### Notable detractors

French payments company Worldline was the leading detractor as its shares fell sharply after the company surprised investors with a cut to its full-year targets. Worldline said an economic slowdown had hit its business, particularly in Germany. It also severed ties with some of its merchants to reduce risks in light of increased cybercrime. The Fund Manager feels that the market overreacted to the earnings announcements. The holding in Chinese e-commerce major Alibaba fell after its announcement that it would not proceed with the full spinoff of its cloud group. Management attributed US restrictions on the export of advanced computing chips to its inability to make sufficient progress in quantum computing and artificial intelligence (AI) to justify the expense.

### Shares in Alphabet fell

The Google parent reported a smaller-than-expected profit in cloud computing, while worries about it losing ground to competitors in the AI race also dampened sentiment.

### The positions in Adyen and Rolls-Royce added value

Dutch payment group Adyen was the leading contributor as its investor day update revealed a positive long-range outlook. The company also released a trading update for the third quarter, which stated that its net sales increased by 22% year on year during the quarter. Shares in Rolls-Royce rose to their highest level in four years, as the engine-maker set out new 2027 financial targets and announced plans for £1-1.5 billion of disposals over the next five years. The company also maintained its full-year guidance.

### Fund Positioning

#### Notable trades

In terms of trades during the quarter, the Fund Manager started a new position in Renesas Electronics, a Japanese semiconductor group. There is significant innovation and structural growth in Analog niche segments as well as in Auto electrification. The company is well-positioned to benefit from this secular trend. They also took a position in Ansys, an engineering simulation and 3D design software provider. This design software space is exposed to more traditional industries like manufacturing and industrials, and the penetration has been ongoing, but adoption has been more modest. They think, these companies will see a smoother uptrend and offer an attractive opportunity.

#### Market outlook

Within the technology sector as a whole, the Fund Manager is cautious about the overall outlook, given the prevailing economic uncertainty. Demand is slow but not collapsing. Technology companies are increasingly cautious about protecting margins and are restructuring business segments to protect these. Technology is essential for consumer lives and corporate digitalization, business is recurring and still generating revenue and profit. From a structural point of view, digitalization and sustainability are driving demand - tech is not going away. The structural story in tech still stands and may have become even stronger given how closely tech capability is intertwined with competitiveness.

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## DISCLAIMERS

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- PARTICIPATION IN THE FUND IS A TRUST ARRANGEMENT AND IS NOT A DEPOSIT ACCOUNT. AS SUCH, THE PARTICIPATION IN THE FUND IS NOT COVERED OR INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION ("PDIC"). ANY INCOME OR LOSS OF THE FUND (WHETHER REALIZED OR UNREALIZED) WILL IMPACT THE NAVPU AND SHALL BE FOR THE ACCOUNT AND RISK OF THE PARTICIPANT. AS SUCH, THE UNITS OF PARTICIPATION OF THE INVESTOR IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR BE WORTH LESS THAN HIS/HER INITIAL INVESTMENT CONTRIBUTIONS. HISTORICAL PERFORMANCE, WHEN PRESENTED, IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE RESULT.
- THE UITF IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- THE UITF IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY ATRAM TRUST CORPORATION OR ITS AFFILIATES OR SUBSIDIARIES.
- DUE TO THE NATURE OF INVESTMENTS OF A UITF, THE RETURNS/YIELDS CANNOT BE GUARANTEED. HISTORICAL PERFORMANCE, WHEN PRESENTED, IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.
- ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT. AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.
- THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.
- THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S PLAN, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.

ATRAM Trust Corporation is regulated by the Bangko Sentral ng Pilipinas with email address at [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph). For inquiries, you may also email us at [customercare\\_trust@atram.com.ph](mailto:customercare_trust@atram.com.ph)