

ATRAM GLOBAL TOTAL RETURN BOND FEEDER FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT



www.atram.com.ph

As of January 29, 2021

FUND FACTS

Classification	LT Bond Fund	Net Asset Value per Unit (NAVPU)	USD 0.816174
Launch Date	July 28, 2014	Total Fund NAV	USD 65.10 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, Unit Paying Feeder Fund	Target Fund	Franklin Templeton Investment Funds - Templeton Global Total Return 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 0.63% ATRAM Trust	Custodianship Fees 0.00% Deutsche Bank Citibank	External Auditor Fees 0.08% SGV and Co.	Other Fees 0.01% (Transaction Fees)
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² As a percentage of average daily NAV for the month valued at USD 64.41 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 maximize total investment return 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/or floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide.

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 Total Return 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 global market fixed income 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.

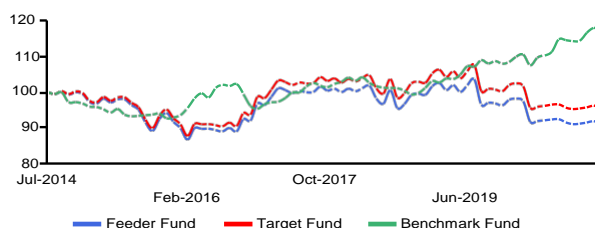
- THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY 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.
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.
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.
Derivatives Risk	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.
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 January 29, 2021 (Purely for reference purposes and is not a guarantee of future results)



NAVPU Over the Past 12 Months

Highest	0.935643
Lowest	0.816174

Statistics over the past 12 months

Standard Deviation	5.84
Beta	0.92
Information Ratio	-3.95

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	-0.86%	-0.08%	-1.41%	-7.22%	-9.83%
BENCHMARK*	-0.64%	2.54%	2.14%	6.81%	12.82%

*Fund returns include the income paid out on distribution

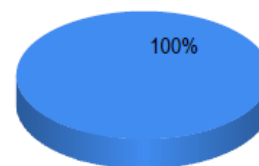
**Target fund benchmark

Unit Income Distribution Information

Unit Income Payment date	Unit Income Per Unit Holding	Annualized Distribution Yield
25 Sep 2020	0.0041 units	4.93%
27 Oct 2020	0.0044 units	5.24%
26 Nov 2020	0.0050 units	5.99%
29 Dec 2020	0.0048 units	5.74%
28 Jan 2021	0.0076 units	9.11%

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



FTIF - Templeton Global Total Return Fund (100%)
Cash

Fund Details (Target Fund)	
Name of Fund	FTIF - Templeton Global Total Return Fund
Investment Manager	Franklin Templeton Investments Corp.
Fund Inception Date	August 29, 2003
Benchmark	*Please see Target Fund Website for benchmark
Base Currency	USD
Total Net Assets	6.91 B
Credit Rating	A-
Yield To Maturity	4.10
Duration	2.1 Yrs
Total Expense Ratio	0.84
ISIN Code	LU2052245565
SEDOL Code	BKLJTX1
Bloomberg Code	TGTRIDU LX
Share Class	W MDis USD

	YTD	1 mo	3 mos	1 Yr	S.I.
Target Fund	-1.24	-1.24	0.07	-6.72	-5.27
Benchmark	-0.86	-0.86	2.54	6.81	8.62

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/or floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide.

Asset Allocation (Target Fund)	
Asset Allocation	Fixed Income: 88.79%
	Cash and Others: 11.21%

Top Ten Holdings (Target Fund)	
Name of issuer	% of Total
Korea Treasury Bond, senior note, 1.375%, 12/10/29	10.5
Government of Mexico, senior bond, M, 6.50%, 6/09/22	6.7
Government of Indonesia, senior bond, FR53, 8.25%, 7/15/21	4.8
Government of Mexico, senior bond, M, 8.00%, 12/07/23	4.0
Korea Treasury Bond, senior note, 1.375%, 9/10/21	2.4
Argentina Treasury Bond BONCER, Index Linked, 1.20%, 3/18/22	2.3
Government of Mexico, senior note, M, 7.25%, 12/09/21	2.0
Government of Indonesia, senior bond, FR70, 8.375%, 3/15/24	1.9
Government of Norway, 144A, Reg S, 2.00%, 5/24/23	1.8
Government of Mexico, senior bond, M, 6.75%, 3/09/23	1.7

Regional Exposure	
	% of Total
Japan	23.0
Mexico	15.7
South Korea	14.4
Indonesia	10.3
Argentina	7.3
Ghana	5.3
Norway	4.9
Others	7.8

Sector Exposure	
	% of Total
Local Curr. Govt/Agency Bonds: Investment Grade	74.6
Local Curr. Govt/Agency Bonds: Non-Investment Grade	14.4
Non-Local Curr. Sovereign Bonds: Non-Investment Grade	1.8
Supranational	0.4
Corporate Bonds: Investment Grade	0.0
US Treasuries/Agencies	0.0
Others	-2.4

Currency Exposure	
	% of Total
Japanese Yen	55.2
South Korean Won	14.4
Norwegian Krone	12.6
Indian Rupee	10.9
Indonesian Rupiah	10.3
Swedish Krona	8.6
Chinese Renminbi	7.6
Argentine Peso	7.0
Euro	-34.5
Others	10.6

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 Global Total Return 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 Global Total Return Fund Monthly Commentary dated January 31, 2021)

The US dollar (USD) reversed its recent weakening pattern in January, broadly appreciating against several major developed market and emerging market currencies, with notable weakness in Latin America but pockets of strength in Asia. Currency positions in Latin America (the Argentine peso and Colombian peso) and Asia ex Japan (the South Korean won) detracted from absolute Target Fund performance, as did positions in northern European currencies (the Swedish krona). The Target Fund's position in the Russian ruble also detracted from absolute results. The Fund Manager is 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.

The Target Fund's net-positive position in the Japanese yen detracted from absolute performance, while its net-negative position in the euro contributed. The Fund Manager expects the Japanese yen to appreciate against the USD in upcoming months given Japan's strong external balance. They expect the euro to weaken against the USD given negative rates, as well as greater headwinds to growth and reflation efforts in Europe.

USD-denominated sovereign credit sectors generally saw negative returns in January, backtracking from their positive returns in November and December. Sub investment-grade sovereign bonds detracted from absolute Target Fund results. The Fund Manager continues to broadly avoid credit sectors, which remain overvalued and vulnerable to ongoing economic damage, in their view. However, they continue to identify value in specific sovereign credit markets and have become increasingly constructive in specific countries, notably adding exposure to Ecuador.

Yields rose in several emerging markets, including Indonesia, India, Colombia, and Mexico. Select duration exposures in Latin America (Argentina and Mexico) and Africa (Ghana) contributed to absolute Target Fund performance. The Fund Manager continues to emphasize select local-currency bonds outside of the major developed markets, 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 are significantly underweight developed market duration, preferring to hold short-term US Treasuries, while holding no exposure to the long end of the curve. They hold no duration exposure in the eurozone. Instead, they continue to emphasize select local-currency bonds outside of the major developed markets, in countries that they view as having resilient fundamentals and attractive risk-adjusted yields. They are holding various unhedged local-currency positions, notably in South Korea, 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 Norwegian krone, Swedish krona, Canadian dollar, and USD against the euro, and in the Japanese yen, Indonesian rupiah, Indian rupee, South Korean won 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 remains optimistic for 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 anticipate being constructive in several 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 how countries have contained COVID-19, handled fiscal and monetary policy, and supported their economies.

Additionally, near-term risks remain elevated as cases of COVID-19 surge to record levels in areas of Europe, the US, and Latin America, causing governments to maintain mobility restrictions that continue to damage economic activity. COVID-19 cases appear likely to reach a zenith during the winter months before vaccine distributions may cause the pandemic to ebb in the late spring and summer of 2021. However, there is significant variation in how well vaccines are being distributed by different countries, which the Fund Manager expects to lead to staggered timelines for economic recoveries as well as 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.
