

ATRAM Philippine Equity Smart Index Fund

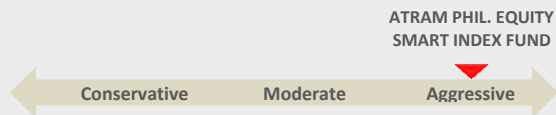
November 27, 2020



Investment Objective

The Fund is designed to generate excess returns compared to its benchmark through an enhanced index approach, combining the elements of passive and active management.

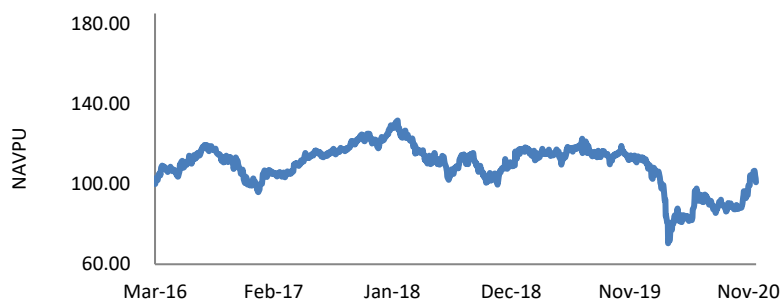
Risk Return Spectrum



Fund Facts

Inception Date	1 March 2016
Currency	PHP
Fund Size	370.59 Million
NAVPU	100.896301

Performance Overview



Figures as of 11.27.2020

Cumulative Performance %				
	1 Mo	YTD	1 Yr	Since Incept.
Fund	7.32	-10.75	-10.06	0.90
Benchmark	7.39	-13.10	-12.24	0.92
NAVPU				
	28-Aug-20	30-Sep-20	30-Oct-20	27-Nov-20
Fund	88.474206	87.748103	94.014512	100.896301

Manager's Report

The Philippine Stock Exchange Index (PSEi) was up 7.39% month-on-month (MoM) to end the month at 6,791.46. The index mimicked its gains from the previous month as shares continued its rally higher. Investors turned risk-on with positive developments on the vaccine front and more certainty from the US presidential elections. Domestically, coronavirus cases remained manageable as cases averaged around 1,500 – 2,000/day and occupancy rates for beds allocated for COVID-19 have come down noticeably. The market shrugged off the 11.8% year-on-year gross domestic product (GDP) contraction for the 3Q but took notice when the Bangko Sentral ng Pilipinas (BSP) surprised the market with another 25-basis point (bp) policy rate cut – further supporting the equities market. Net foreign outflows continued this month worth US\$ 169 million, but foreigners were net buyers for the first half as world markets were rallying. The flow reversed after the index soared passed 7,000 prompting foreigners to taking profit, and during the ICT placement and MSCI rebalancing. On foreign exchange, the USD closed the month at 48.06, down 70 bps MoM. The USD return on the PSEi year-to-date is -8.19%.

The ATRAM Philippine Equity Smart Index Fund was up 7.32% MoM but underperformed its benchmark by 7 bps. Underweights in San Miguel Corporation (SMC +25.49% MoM) and SM Prime Holdings (SMPH +6.82% MoM) were the main drags. SMC rallied last month as investors rotated into laggards in the conglomerate space, as well as positive news of a rate cut causing macro proxy names to gain. SMPH gained as it was one of the top net foreign bought names with the broader property sector, outperforming as cyclical saw buy interest.

Coming from a data-heavy November, wherein the prints have been in-line with expectations and showed sequential improvements, we expect the market to sustain its strength this month. The rally is so far being driven by local buying, with institutional and retail investors positioning for a bullish outlook in 2021. Deep-value high-quality cyclical like property, banks and consumer discretionary will continue to drive the market. Foreign ownership continues to be at multi-year lows, thus a reversal of this foreign outflow seen throughout the year could further provide impetus to the market.

Portfolio Analysis

Composition of the Fund



Equities (100%)

Top Portfolio Holdings

SM Investments Corp	15.8%
SM Prime Holdings Inc	11.3%
Ayala Land Inc	8.6%
Ayala Corp	7.1%
JG Summit Holdings Inc	6.1%
BDO Unibank Inc	5.8%
International Container Terminal	5.2%
Bank of the Philippine Islands	4.5%
Universal Robina Corp	4.4%
Philippine Long Distance Telephone	4.1%

The Fund is a UITF and is a trust product, not a deposit account or an obligation of, or guaranteed, or insured by the ATRAM Trust or its affiliates or subsidiaries. The Fund is not insured or governed by the PDIC. Due to the nature of the investment, yields and potential yields cannot be guaranteed. Any loss/ income arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, is for the account of the investor/ participant. As such, the units of participation of the investor in the Fund when redeemed, may be worth more or less than his/her/its initial investment. Historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future result. The Trustee is not liable for losses unless upon its willful default, bad faith or gross negligence.

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Monthly Performance %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Cumulative
2016			7.54	-1.48	3.45	4.94	1.99	-2.28	-2.20	-2.98	-8.75	0.52	-0.24	-0.24
2017	5.35	-0.83	1.55	4.74	3.05	-0.19	2.26	0.11	2.78	2.26	-1.90	3.71	25.10	24.81
2018	1.94	-3.32	-5.66	-1.66	-3.68	-4.16	6.36	2.65	-7.40	-2.17	3.35	1.17	-12.70	8.95
2019	6.68	-3.05	3.03	0.33	0.28	0.55	0.23	-0.94	-2.75	1.86	-2.86	0.77	3.76	13.05
2020	-8.55	-5.30	-18.30	5.58	3.47	5.58	-4.00	-0.12	-0.82	7.14	7.32		-10.75	0.90

Fund Details

Fund Classification:	Equity Fund	Minimum Investment Amount:	PHP 50.00
Base Currency:	Philippine Peso	Minimum Additional Investment:	PHP 50.00
Benchmark:	Philippine Stock Exchange Index (PSEi)	Minimum Maintaining Amount:	PHP 50.00
Trust Fee:	1.50% p.a.	Trustee:	ATRAM Trust Corporation
Inception Date:	1-Mar-16	Custodian:	Citibank N.A. Manila Branch
Bloomberg code:	ATRPHE PM	Auditor:	SGV & Co.
Dealing Frequency:	Daily	Website:	www.atram.com.ph

Investor Risk Profile

The Fund is suitable for investors with a long-term investment horizon who seek to invest in Philippine equity securities and have a high risk appetite.

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