

ATRAM Total Return Peso Bond Fund

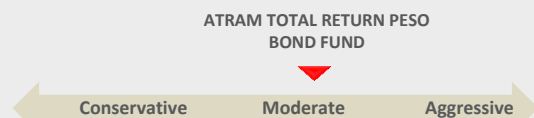
November 27, 2020



Investment Objective

The objective of the fund is to maximize total return of a fixed income portfolio, that is, to achieve capital gains while maintaining a level of current income consistent with the maintenance of principal and meeting of liquidity requirements.

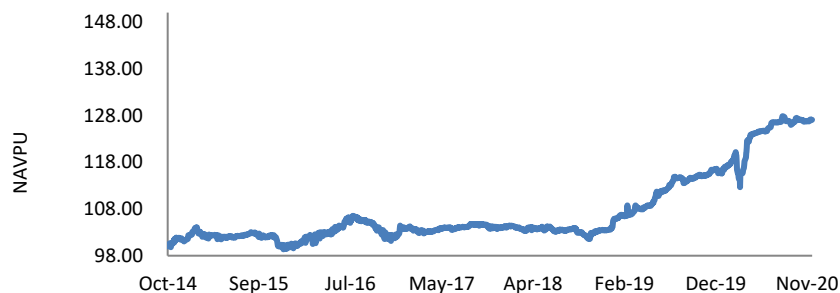
Risk Return Spectrum



Fund Facts

Inception Date	28 October 2014
Currency	PHP
Fund Size	803.97 Million
NAVPU	127.080893
Portfolio Duration	2.52

Performance Overview



Figures as of 11.27.2020

Cumulative Performance %				
	1 Mo	YTD	1 Yr	Since Incept.
Fund	0.32	9.04	10.26	27.08
Benchmark	0.43	10.01	11.40	31.55
NAVPU				
	28-Aug-20	30-Sep-20	30-Oct-20	27-Nov-20
Fund	126.791522	126.757382	126.671853	127.080893

Manager's Report

Philippine bond yields traded lower in November as the Bangko Sentral ng Pilipinas (BSP), in an unexpected move, cut the policy rate by 25 basis point (bps), down to 2.00%. According to BSP Governor Diokno, the benign inflation environment and stable inflation expectations allowed the monetary board to further reduce the policy rate to combat resurging COVID-19 cases and underperforming economic data. Yields on short to medium term bonds ended the month 5-12 bps lower.

On the data this month, inflation for October printed at market expectations of 2.5%, slightly higher from last month's print of 2.3%. The primary driver for the higher print came from the heavily weighted food index increasing by 2.1% (from 1.5%). Significant increases were also seen for education (+1.2%) and miscellaneous goods and services (+2.4%). Furthermore, Philippines 3Q gross domestic product (GDP) growth printed lower than market expectations at -11.5% (vs -9.6% estimated) due to crippled growth in industries such as services (-10.7% YoY) and industrials (-17.2% YoY).

The BPI Philippine Government Bond Index registered a month-on-month gain of 43 bps in November while the ATRAM Total Return Peso Bond Fund increased by 32 bps; implying a slight underperformance stemming from the low carry inherent to the portfolio's low duration positioning. Our portfolio continues to be positioned in the belly of the curve, which we see to provide the best balance of risk and reward given our medium-term outlook.

Going into December, we expect rates to trade sideways with dealers staying on the sidelines. Although the BSP has taken a dovish tone after the recent rate cut, we see further easing to be limited from supply-shock inflation upticks caused by the recent typhoons and reopening of the economy. Given these factors, we continue to maintain an underweight duration position and will look to adjust our portfolio to parts of the curve where we see value.

Portfolio Analysis

Composition of the Fund



- Government Bonds (88.29%)
- Corporate Bonds (6.61%)
- Cash (5.10%)

Top Portfolio Holdings

RTB 05-13 2.625%	35.0%
FXTN 03-25 2.375%	14.9%
RPTB 12May2021	14.3%
RPTB 05May2021	8.5%
FXTN 10-60 3.625%	7.1%
RPTB 10Nov2021	6.9%
MBT 04-22 6.3%	1.3%
OMLF 11-21 4.55%	1.2%
UBP 03-26 3.375%	1.0%
RPTB 22Sep2021	1.0%

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
2014	-	-	-	-	-	-	-	-	-	0.39%	1.37%	-0.38%	1.38%	1.38%
2015	2.40%	-1.33%	-0.08%	-0.82%	0.62%	0.05%	0.39%	0.22%	-0.78%	-0.11%	-1.68%	0.14%	-1.05%	0.32%
2016	0.49%	0.93%	1.05%	-0.06%	0.67%	1.63%	1.12%	-0.74%	-0.51%	-1.39%	-1.04%	-0.07%	2.05%	2.37%
2017	1.50%	-0.28%	-0.63%	0.21%	0.60%	0.18%	0.00%	0.38%	0.37%	-0.13%	-0.41%	-0.02%	1.76%	4.18%
2018	0.15%	-0.57%	0.30%	-0.11%	0.27%	-0.79%	-0.06%	0.58%	-1.20%	0.22%	0.53%	0.10%	-0.60%	3.55%
2019	2.67%	0.24%	2.05%	-0.43%	1.20%	1.97%	1.33%	1.32%	-0.28%	0.61%	0.12%	1.12%	12.54%	16.54%
2020	0.38%	1.25%	-2.26%	6.80%	0.79%	0.57%	0.95%	0.22%	-0.03%	-0.07%	0.32%		9.04%	27.08%

Fund Details

Fund Classification:	Long Term Bond Fund	Minimum Investment Amount:	PHP 50.00
Base Currency:	Philippine Peso	Minimum Additional Investment:	PHP 50.00
Benchmark*:	BPI Government Bond Index	Minimum Maintaining Amount:	PHP 50.00
Trust Fee:	1.10%p.a.	Trustee:	ATRAM Trust Corporation
Inception Date:	28-Oct-14	Custodian:	Citibank NA, Manila Branch
Bloomberg code:	ATRPFI PM	Auditor:	SGV & Co.
Dealing Frequency:	Daily	Website:	www.atram.com.ph

*ATRAM has changed its benchmark from Bloomberg Philippine Sovereign Bond Index to BPI Government Bond Index as of June 7, 2019. Prior to May 1, 2016, the benchmark was the HSBC Phil. Local Bond Index.

Investor Risk Profile

The Fund is suitable for investors with an investment horizon of at least 3 years, has a moderate risk appetite, looking for higher returns compared to other investment outlets with shorter investment horizons, and willing to take on the pertinent risks.

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