

As of December 29, 2023

**FUND FACTS**

<b>Classification</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU)</b>	PHP 99.655779
<b>Launch Date</b>	December 14, 2021	<b>Total Fund NAV</b>	PHP 20.01 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 - Sustainable Healthcare 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> 1.24% ATRAM Trust	<b>External Auditor Fees</b> 3.50% SGV and Co.	<b>Transaction Fees</b> 0.42%	<b>Benchmark Fees</b> 0.01%
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<sup>2</sup> As a percentage of average daily NAV for the month valued at PHP 19.56 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 are involved in the design, manufacture, or sale of products and services used in health care, medicine, or biotechnology.

**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 Health Care Feeder Fund is suitable ONLY for investors who:**

- have a moderately aggressive risk appetite
- are comfortable with the volatility and risks of an equity fund
- have a medium to 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.

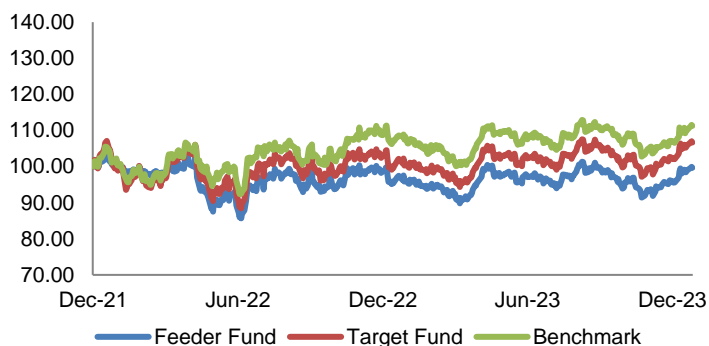
<b>Legal and Tax Risk</b>	The interpretation and implementation of laws and regulations are constantly changing and they may change with retroactive effect. There is no certainty that investors will be compensated for any damage or loss incurred as a result of legal or regulatory changes.
<b>Equity Risk</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 health care-related sectors. The more specific the respective sector/theme, the more limited the investment universe and the more limited the risk diversification might be. Since the sector is more defensive than the broad stock market, it may underperform the broad stock market during strong market rallies.  The Fund also invests into sustainable themes, primarily with the sub-themes of affordable access, cost-effective solutions and improving outcomes. 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.

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)



	1 Mo	3 Mos	6 Mos	1 Yr	S.I.
FUND	4.08%	4.36%	3.02%	2.28%	-0.34%
BENCHMARK*	4.07%	3.66%	3.38%	2.44%	11.28%

\*MSCI ACWI Health Care Index

### NAVPU Over the Past 12 Months

Highest	101.358799
Lowest	89.816493

### Statistics over the past 12 months

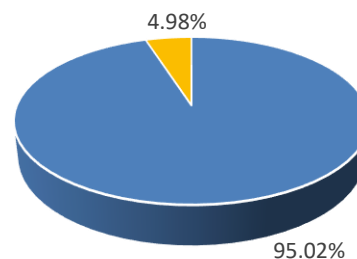
Standard Deviation	11.53
Beta	1.05
Information Ratio	-0.03

**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.

### Portfolio Composition



■ Fidelity Funds - Global Health Care Fund ■ Cash

**Fund Details (Target Fund)**

Name of Fund	FF - Sustainable Healthcare Fund
Investment Manager	FIL Investment (Luxembourg) S.A.
Fund Inception Date	September 1, 2000
Benchmark	MSCI ACWI Health Care Index
Base Currency	USD
Total Net Assets	1.69 B
Standard Deviation (3 Yr)	15.06
Beta (3 Yr)	1.03
Sharpe Ratio (3 Yr)	0.14
Total Expense Ratio	1.04
ISIN Code	LU2078916223
SEDOL Code	BK71XY0
Bloomberg Code	FIGHCYU LX
Share Class	Y ACC USD

	3 mos	YTD	1 Yr	3 Yrs	5 Yrs
Target Fund	7.4	6.5	6.5	13.4	n/a
Benchmark	5.9	3.6	3.6	14.2	61.0

**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 which are involved in the design, manufacture, or sale of products and services used for or in connection with health care, medicine or biotechnology.

**Asset Allocation (Target Fund)**

Asset Allocation	Equity: 97.70%
	Cash and Others: 2.30%

**Top Ten Holdings (Target Fund)**

Name of issuer	% of Total
Unitedhealth Group Inc	8.1
Thermo Fisher Scientific Inc	6.2
Roche Holding Ag	5.8
Novo-Nordisk As	5.4
Stryker Corp	4.2
Icon Plc	4.0
Eli Lilly & Co	3.9
Boston Scientific Corp	3.8
Elevance Health Inc	3.8
Astrazeneca Plc	3.6

**Regional Exposure**

	% of Total
United States	61.4
Switzerland	10.5
United Kingdom	7.3
Denmark	6.2
France	4.4
Ireland	4.0
Germany	2.7
Belgium	1.1
Others	0.0

**Sector Exposure**

	% of Total
Health Care	95.5
Consumer Staples	1.5
Consumer Discretionary	0.8

**Theme Allocation**

	% of Total
Improving Outcomes	55.1
Affordable Access	20.3
Cost-effective Solutions	18.2

**OTHER DISCLOSURES**

The Fund is a feeder fund and will invest all or substantially all of its assets in the Fidelity Funds - Sustainable Healthcare 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 Health Care Fund Quarterly Performance Review dated December 2023)

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### Market Environment

Equities started the quarter on a weak note as subdued corporate earnings, elevated bond yields, and prevailing geopolitical concerns weighed on sentiment. However, markets rebounded sharply after data releases indicated moderating inflation, which reinforced the view that central banks have reached the peak of their tightening cycles. Unchanged policy rates in major developed markets and dovish remarks by the US Federal Reserve raised hopes for a soft landing, which further boosted the rally. Against this backdrop, equities in Europe ex-UK and the US gained strongly. Emerging markets also ended higher but underperformed developed markets. At a sector level, optimism around artificial intelligence buoyed information technology stocks. Energy stocks fell given the weakness in crude oil prices.

### Fund Performance

The Target Fund returned 2.5% in net euro terms, while the index returned 1.5% over the quarter. Both positioning and stock selection in pharmaceuticals added value. Performance in life sciences tools and services was mixed, as losses from the overweight position were offset by gains from strong stock selection within the sector.

#### Key contributors to returns

Sonova gained despite missing consensus estimates after it announced better-than-feared revenue for the first half of the year. It expects a significant acceleration in the second half of the year, driven by strong execution in the audiological care business. The lack of exposure to Pfizer added relative value. The company cut its full-year guidance early in the period and its shares fell further in December after the US drugmaker forecast 2024 revenues below consensus estimates. Shares in Karuna Therapeutics rallied after it announced an agreement to be bought by Bristol Myers Squibb.

#### Strong earnings drove shares higher

The position in ICON enhanced gains. Its shares soared after it announced strong quarterly earnings, beating consensus estimates. The lack of exposure to Abbott Laboratories weighed on returns. Its shares gained after it reported robust second-quarter results, driven by strong sales in its mainstay pharmaceuticals segment.

#### Notable detractors

Shares in Humana slid on indications that it was exploring a merger with Cigna, due to uncertainty over the potential timeline for regulatory approvals. Its shares further declined on reports that the merger plan had been abandoned. Becton Dickinson detracted from performance after it posted disappointing results due to weak medication delivery in China.

### Fund Positioning

The Target Fund invests in good quality companies that are set to benefit from long-term structural growth drivers within health care, namely the aging of the population and increased health care needs. Healthcare companies tend to be defensive, as demand for drugs and medical procedures will not change even in times of volatility and uncertainty. There is an additional focus on sustainability, including superior environmental, social, and governance (ESG) issues.

#### Selective sub-sector exposure

The Target Fund maintains an overweight stance in the life sciences tools and services sub-sector given its attractive growth opportunities. The sector focuses on diagnostics, drug research capabilities, tools, and manufacturing, but has none of the binary risks associated with single drug development. The Fund Manager remains selective and underweight in the pharmaceuticals sector due to concerns over the longer-term growth profile of some companies facing material patent cliffs in the coming years.

#### Key trades

A new position was purchased in an American multinational managed health care and insurance company due to its attractive valuations. Another holding was also bought in consumer health care company Haleon. Consumer health is an attractive category with high barriers to entry, and the company's sales growth should gradually accelerate as it leverages more fit-for-purpose systems. The position in Danaher was sold due to valuation concerns given weak end markets and high interest rates. The holding in pharmaceuticals major Lonza was also sold after a significant cut in its 2024 sales targets.

## DISCLAIMERS

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- THE TRUSTEE DOES NOT AND SHALL NOT GUARANTEE A FIXED RATE OF RETURN OR INCOME TO THE PARTICIPANTS. LOSSES, IF ANY, SHALL BE FOR THE ACCOUNT AND RISK OF THE PARTICIPANTS.
- 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.
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- 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)

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