

ATRAM PESO MONEY MARKET FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT



As of September 30, 2020

www.atram.com.ph

FUND FACTS

Classification	Money Market Fund	Net Asset Value Per Unit (NAVPU)	Php 109.957079
Launch Date	16 December 2013	Total Fund NAV	Php 685.89 M
Minimum Investment	Php 50	Dealing Day	Daily
Additional Investment	Php 50	Redemption Settlement	Trade Date + 1 Business Day
Minimum Holding Period	None	Early Redemption Charge	None

FEES¹

Trustee Fees 0.70%	Custodianship Fees 0.00%	External Auditor Fees 0.01%	Other Fees 0.00%
ATRAM Trust	Standard Chartered Bank & Citibank	SGV and Co.	(Transaction Fees)

¹ as a percentage of average daily NAV for the quarter valued at Php 975,833,609.63

INVESTMENT OBJECTIVE AND STRATEGY

The objective of the Fund is to maximize income and achieve higher returns compared to regular bank deposits while preserving capital by investing in a portfolio of very liquid, fixed-income instruments and maintaining an average portfolio duration of 1 year or less.

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 Peso Money Market Fund is suitable only for investors who:

- have a conservative risk profile
- give prime consideration to high liquidity and capital security
- have a short term investment horizon
- are seeking better returns compared to time deposit

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. ATRAM Trust adopts an active investment management strategy which incorporates market and fundamental research to help mitigate market risk.

Credit 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 issued. ATRAM Trust conducts a robust credit analysis for effective investment decision making.

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. Active duration management is undertaken to mitigate interest rate risk.

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. ATRAM Trust only deals with reputable and financially stable accredited counterparties.

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.

- **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.**

ATRAM Trust Corporation

8th Floor, 8 Rockwell Building, Hidalgo Drive, Rockwell Center, Makati City, 1210 Philippines

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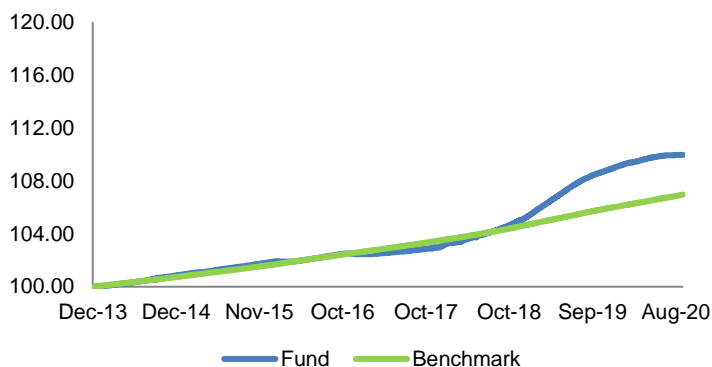
Liquidity Risk. Liquidity risk occurs when certain securities in a fund's portfolio may be difficult or impossible to sell at a particular time which may prevent the redemption of investment in a fund until its assets can be converted to cash. ATRAM Trusts invests the portfolio in very liquid securities in order to minimize liquidity risk.

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. ATRAM Trust keeps up to date on regulatory developments and consults tax and legal professionals on the interpretation of new laws and regulations.

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 September 30, 2020

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



NAVPU over the past 12 months

Highest	109.957459
Lowest	108.507187

Statistics over the past 12 months

Standard Deviation	0.21%
Duration (as of 9/30/2020)	0.14
Information Ratio	0.99

Cumulative Performance (%)

	1 Mo	3 mos	6 mos	1 Yr	3 yrs
Fund	0.01	0.07	0.40	1.34	6.93
Benchmark*	0.10	0.28	0.56	1.13	3.56

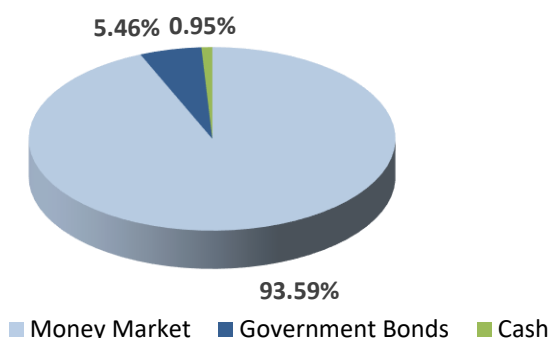
*30-day Philippine Special Savings Rate

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

Duration is a measure of a fixed income portfolio's sensitivity to interest rate changes. The longer the duration, the more the portfolio's value will fluctuate with interest rate movements.

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



Portfolio Holdings

	% of Total
RIZBNK 0.375% 01Oct2020	10.4%
CBKCOR 0.875% 22Oct2020	7.9%
MAYBPH 0.625% 13Oct2020	7.3%
MAYBPH 0.625% 12Oct2020	6.9%
PHPSBK 0.7% 21Oct2020	6.6%
BANKPH 1.125% 02Mar2021	6.6%
UNBKPH 0.45% 15Oct2020	5.8%
BTMPH 1.35% 03Nov2020	5.7%
CBKCOR 0.875% 06Oct2020	4.8%
BTMPH 1.1% 04Nov2020	4.5%

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OTHER DISCLOSURES

The Fund may invest in time deposit or deposit products offered by the following banks:

- Bangko Sentral ng Pilipinas
- BDO Unibank, Inc.
- Bank of the Philippine Islands
- China Banking Corporation
- Citigroup, Inc.
- Deutsche Bank AG
- East West Banking Corporation
- ING Group NV.
- JPMorgan Chase & Co.
- Maybank Philippines, Inc.
- Metropolitan Bank & Trust Company
- MUFG Bank, Ltd.
- Philippine National Bank
- Philippine Savings Bank
- Rizal Commercial Banking Corp.
- Robinsons Bank Corporation
- Security Bank Corporation
- Standard Chartered PLC
- Union Bank of the Philippines

or other banks that may be approved by the Board of Directors of ATRAM Trust Corporation.

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

Inflation for August printed below market expectations ranging 2.60-3.30%, coming out at 2.40%. The primary drivers for the print were attributable to lower than expected increases in the price indices of clothing & footwear (+1.90%) restaurants & misc. services (+2.30%) and food (+1.80%).

In September, the Bangko Sentral ng Pilipinas (BSP) held the policy rate as expected at 2.25%. However, they revised GDP estimates for the third quarter downwards to -9.0% (from -6.5%), as well as the inflation estimate for 2020 to 2.30% (from 2.60%). The BSP has begun issuing bills, issuing Php 20 billion worth of the 28-day bill. Despite its limited scope, we see continued BSP bill issuance to affect liquidity conditions. Potential inclusion of Trust and Investment Management Accounts (IMA) in its scope could potentially improve money market instrument yields, as these instruments directly compete with Current Account and Savings Account (CASA) funding of the banks.

To date, recent policies are very supportive in nature to provide economic cushion to the economy. However, effectivity in policy has also affected interest rates offered by the banks due to excess low cost funding from the liquidity created by the BSP. At the moment, time deposit rates are at their year-lows. The Fund has been primarily utilizing the higher monthly time deposit rates being offered by select institutions while investment in Treasury bills have been supporting liquidity and are meant to improve the overall yield of the Fund. More broadly, the portfolio continues to be mainly invested in various short-term money market placements; however, we see it optimal to reinvest future maturities in select treasury bills where we see yield pick-up with minimal price risk.

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