

ATRAM PHILIPPINE EQUITY SMART INDEX FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT



As of November 30, 2023

www.atram.com.ph

FUND FACTS

Classification	Equity Fund	Net Asset Value per Unit (NAVPU)	Php 93.397923
Launch Date	1 March 2016	Total Fund NAV	Php 1,089.89 M
Minimum Investment	Php 1.00	Dealing Day	Daily
Additional Investment	Php 1.00	Redemption Settlement	Trade Date + 3 Business Days
Minimum Holding Period	None	Early Redemption Charge	None

FEES¹

Trustee Fees 1.50% ATRAM Trust	Custodianship Fees 0.03% Citibank	External Auditor Fees 0.01% SGV and Co.	Other Fees 0.00% (Transaction Fees)
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¹ As a percentage of average daily NAV for the month valued at Php 1,090,341,645.34

INVESTMENT OBJECTIVE AND STRATEGY

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.

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 Philippine Equity Smart Index Fund is suitable only for investors who:

- have a high risk appetite
- are comfortable with the volatility and risks of an equity fund
- have a long-term investment horizon
- are seeking to invest in Philippine 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.

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.

Equity Risk. The Fund investments mainly in equity securities, the prices of which fluctuate daily, sometimes dramatically, which could result in significant losses. ATRAM Trust takes into account fundamentals, diversification, investment correlation, macroeconomic and sector outlook when constructing portfolios.

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.

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.

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.

ATRAM Trust Corporation

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

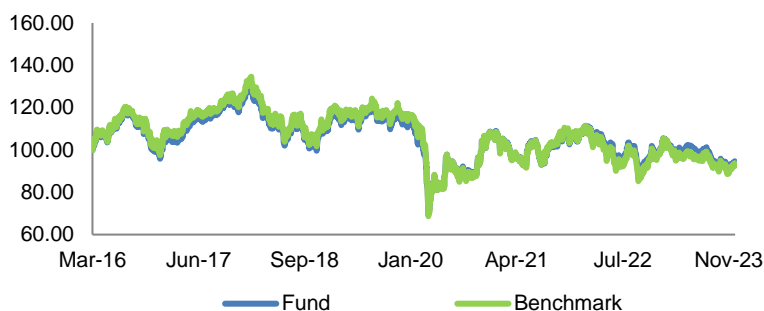
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Legal and Tax Risk. The interpretation and implementation of laws and regulations are constantly changing and they may change with retroactive effect. There is no certainty that investors will be compensated for any damage or loss incurred as a result 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 November 30, 2023

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



NAVPU over the past 12 months

Highest	95.874574
Lowest	89.692391

Statistics over the past 12 months

Standard Deviation	11.44%
Beta	0.97
Information Ratio	-0.09

Cumulative Performance (%)

	1 Mo	3 mos	6 mos	1yr	3 yrs
Fund	3.76	0.24	-5.99	-8.37	-7.43
Benchmark*	4.18	0.79	-3.92	-8.22	-8.36

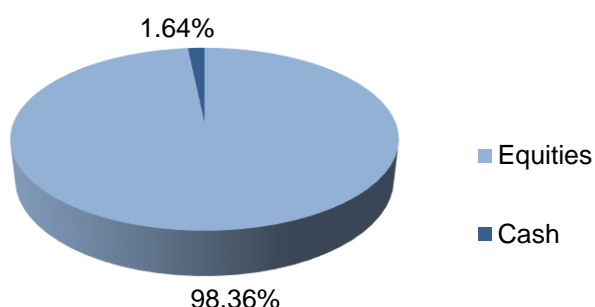
*Philippine Stock Exchange Index (PSEi)

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



Top Holdings

SM Investments Corp.	14.7%
BDO Unibank Inc.	10.0%
SM Prime Holdings Inc.	9.0%
Bank of the Philippine Islands	8.7%
Ayala Land Inc.	7.2%
International Container Terminal Services, Inc.	5.2%
Ayala Corp.	5.1%
Aboitiz Equity Ventures Inc.	4.5%
JG Summit Holdings Inc.	4.1%
Metropolitan Bank & Trust Co.	4.1%

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OTHER DISCLOSURES

The Fund shall invest primarily in equity securities included in the Philippine Stock Exchange Index. The Fund may invest in exchange-listed equities and fixed income securities, securities issued or guaranteed by the Philippine Government or the BSP, tradable securities issued by any supranational entity, and deposit products. Subject to BSP guidelines, the Fund may also avail of financial derivative instruments solely for the purpose of hedging risk exposures.

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

The Philippine Stock Exchange Index (PSEi) was up 4.18% month-on-month (MoM) to end at 6,223.73 in November, as the CPI in October was released at 4.9%, a significant slowdown of 1.2% from September, +a beat of 70 basis points (bps) against consensus and GDP for the third quarter grew 5.9%, 2.3% and 2.0% above both prior release and consensus respectively. US CPI was flat in October against the consensus of a 1.0% rise which raised hopes that the Fed is done with raising their policy rate. The highlight for November is the property sector – Residential building construction is down 25% in the third quarter, there were 38k approved building permits in Q3, of this amount 25k permits were for residential buildings according to preliminary Philippine Statistics Authority (PSA) data. The index tested the 6,200 weekly resistances twice before breaking out and hitting a high of 6,300 but closed the month with just about the 6,200-weekly support. The 50D moving average reversed to trending upwards, however, both the 100D and 200D are still trending downwards indicating more downside. The month of November saw 18mn USD worth of foreign inflows bringing YTD outflows down to 877.2mn.

The ATRAM Philippine Equity Smart Index Fund was down 3.76% MoM in November and underperformed its benchmark by 43bps. Overweights in Ayala Land Inc (ALI +12.89% MoM) and JG Summit Holdings Inc (JGS +4.76% MoM), and an underweight Alliance Global Group Inc (AGI -7.55% MoM) were the main sources of outperformance for the month. Meanwhile underweights in Jollibee Foods Corp (JFC +11.11% MoM) and Century Pacific Food Inc (CNPFI +8.57% MoM) and an overweight in Acen Corp (ACEN -9.43% MoM) were the main drags for the month.

The sequential improvements in the inflation backdrop locally continue to gain traction with the November inflation print at 4.1%, lower than consensus estimates. Recent trends in energy prices are supportive of this in the near term but food-related items continue to have risk tilted on the upside with the El Niño impact already starting to impact agricultural output. While the sideways trading range of the PSEi may persist for December, the improving macroeconomic backdrop may continue providing support to the market as it enters 2024. The tightening cycle of the Bangko Sentral ng Pilipinas is starting to show signs of reaching its tail-end and the corporates are expected to continue having intact earnings growth. We see an attractive risk-reward proposition for the Philippine equities space at current levels. We continue to favor high-quality but deep-value names that can weather an uncertain operating environment and benefit under the sustained recovery of the economy.

DISCLAIMERS

- 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.
- THE UITF IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- 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.

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- 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.

For inquiries, you may also email us at customercare_trust@atram.com.ph