

As of January 31, 2025

www.atram.com.ph

FUND FACTS

Fund Manager	ATRAM	Fund Size	PHP 264.80 Million
Bloomberg Ticker	PRULFIX PM Equity	NAVPS	PHP 1.9106
Inception Date*	January 3, 2005	Reference Benchmark**	None
Currency	Philippine Peso (PHP)	Management & Distribution Fee	1.20% p.a. (exclusive of VAT)
Domicile	Philippines	Risk and Investor Profile	Moderate
Asset Class	Fixed Income	Minimum Investment	PHP 50
NAVPS Publication	Trade Date + 1 Business Day	Additional Investment	PHP 50
Fund Structure	Mutual Fund (Shares)	Early Redemption Charge	5.00% (exclusive of VAT)
Transfer Agent	ATRAM	Minimum Holding Period	180 Calendar Days (6 months)
Auditor	SGV & Co.	Redemption Settlement	Trade Date + 7 Business Days
Dealing Frequency	Daily	Transaction Cut-Off Time***	11:00 A.M.
Custodian & Fund Accountant Standard Chartered Bank - Philippine Branch			

* ATRAM took over the Fund's management on Jan 1, 2012. The name change was approved by SEC on Oct 1, 2015 (formerly Prudentiallife Fixed Income Fund, Inc).

** ATRAM has ceased to use HSBC Philippines Local Currency Bond Index ("HLBI") as its benchmark due to the discontinuation of the index effective May 2, 2016.

*** The cut-off time for subscriptions to/redemptions from the Fund may vary depending on the distribution channel clients use to transact or submit orders to. Regardless of the channel, the cut-off time will not be later than the cut-off time stated in this document. Investors should review the terms and conditions of their chosen channel for accurate information on transaction deadlines.

INVESTMENT OBJECTIVE AND POLICY

ATRAM Corporate Bond Fund, Inc. (the "Fund") seeks to generate regular income streams and capital appreciation by investing primarily in Philippine Peso corporate fixed income securities issued by Philippine companies. An adequate portion of the portfolio will be invested in cash and near cash assets to ensure that redemptions will be adequately and immediately serviced.

The Fund will invest primarily in corporate bonds issued by the Philippine companies or companies that may have business primarily in the Philippines. The Fund may also invest in other fixed income securities issued by Philippine government and other government-owned entities. The Fund may also invest in deposit products of government-owned banks or commercial banks. Management, stability of cash flows, balance sheet structure and spread relative values are the primary criteria for credit selection. Liquidity, scarcity of credit and other issue-specific features are also considered during the credit selection process. Industry attractiveness and macroeconomic environment determine sector tilts to enhance the fund's risk diversification. The Fund's fixed income portfolio may be invested in listed preferred shares, short-term and long-term corporate papers, bank negotiable certificates of deposit and tier 1 and 2 notes, government securities, deposit products and structured fixed income products (as regulation may allow).

- **BE ADVISED THAT PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE.**
- **SHARES OF THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY FINANCIAL INSTITUTION AND ARE NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **INVESTMENT IN THIS MUTUAL FUND INVOLVES RISK. FOR A DETAILED DISCUSSION OF INVESTMENT RISKS, SEE THE FUND'S PROSPECTUS OR CONTACT ATR ASSET MANAGEMENT.**
- **THE MUTUAL FUND IS PRIMARILY REGULATED BY THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION (SEC).**

CLIENT SUITABILITY

A client suitability assessment shall be performed before investing in the Fund to determine its suitability for the investor and enable ATRAM to offer products or services that align with the investor's needs and risk profile. Investors are encouraged to provide accurate and sufficient information regarding their knowledge, experience, financial situation, financial capability (including their ability to bear losses), and investment objectives (including risk tolerance). Otherwise, ATRAM may be unable to determine suitability when given limited information. If the Fund's risk rating exceeds the investor's risk assessment results, ATRAM shall disclose the mismatch and its consequences for the investor's acceptance. Clients are advised to review the Fund's Prospectus, available on ATRAM's website, before making any investment decision.

The recommended investment timeframe for this Fund is five years or more. This Fund is suitable for investors who:

- Have a medium-to-long-term investment horizon;
- Want a diversified portfolio of investments in Philippine corporate and government fixed income securities; and/or
- Are willing to take moderate risks for potentially moderate capital returns over the long term

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Trunkline: +632-8814-7800 or +632-8814-7835 | Fax: +632-8841-0315 | E-mail:

customer_care_mutualfund@atram.com.ph

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.

Capital Markets Risk. The risk that market prices of individual securities may fluctuate. This risk is generally divided into two components: unsystematic risks (i.e. issuer-specific risks) and systematic risks (i.e. market-related risks). Unsystematic risks emanate from economic development of issuers of securities while systematic risks encompass all other factors (outside of the specific issuer) and therefore subsume many of the other important risks identified later in this list of risks.

Liquidity Risk. The risk that an investment may not find a ready buyer for its investments or that securities may have to be disposed at a substantial loss. In general, the Fund manages its investments, including cash, such that it can meet liabilities. One of the Fund's main liabilities is the servicing of redemption of shares. An investor may experience losses due to the inability of the Fund to sell or convert assets into cash immediately or in instances where the conversion to cash is possible but at a loss.

Interest Rate Risk. Refers to the volatility of bond prices that results from changes in interest rates. Share prices respond inversely to movements in interest rates. If bonds are purchased and interest rates subsequently rise, then the prices of purchased bonds will decline. Lower interest rates, on the other hand, adversely affect the yield on money market instruments and funds. Interest rates are affected by various factors and are difficult to predict especially over the long term.

Credit or Default Risk. The possibility that a borrower or debt issuer may not be able to fully service interest payments and/or repay principal on the promised dates.

Reinvestment Risk. The difficulty of finding investment vehicles which would provide comparable yields or rates of return for interest or dividends received or proceeds of matured debt instruments or securities.

Sector Risk. Arises whenever a portfolio has concentrated exposure in some particular industry or sector. Sector concentration exposes a portfolio to cyclical downturns in that sector, new regulatory restrictions, industry scandals, new industry opportunities, disruptive technological innovation, developments in the supply chain or consumer demographics, and shifting dynamics and rankings within an industry due to consolidation (i.e., mergers and acquisition).

Currency Risk. Volatility in currency exchange rates adds a layer of risk and complexity. If economic or political confidence in a given country abruptly deteriorates, an ensuing depreciation in that country's currency may serve to magnify any intrinsic weakening in that country's bond market values.

Management Risk. The risk that a portfolio manager will not be able to fulfill the investment objectives of an actively-managed portfolio. Investment decisions are made by portfolio managers who may commit mistakes from time to time by selecting a laggard security or misallocating the assets of the Fund. These errors in judgment can result in the Fund's underperformance or possibly a decline in value or loss.

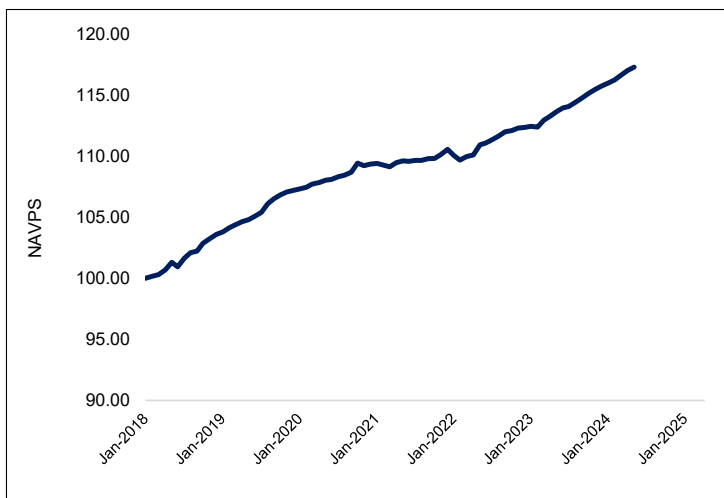
Operational Risk. Refers to risk of loss, both monetary and reputational, arising from inadequate internal processes, people, systems or from external events.

Risk of Dilution. The Fund is an open-end mutual fund, as such investors may effectively subscribe to any amount of shares in the Fund. Thus, investors face the risk of their investments being diluted as more investors subscribe to shares. The influence that the investors can exert over the control and management of the Fund diminishes proportionately.

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, nor any assurance that the Fund's investment objective will be achieved. 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 January 31, 2025

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



NAVPS over the past 12 months

Highest	1.9557
Lowest	1.8892

Statistics over the past 12 months

Standard Deviation (%)	0.22%
Portfolio Duration	2.51

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 bond portfolio's sensitivity to interest rate changes. The longer the duration, the more the portfolio's value will go up (or down) when interest rates move down (or up).

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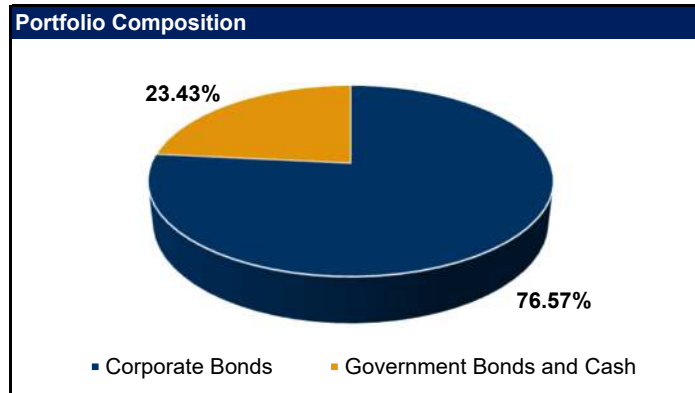
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Cumulative Performance (%)						
	1 Mo	1 Yr	3 Yrs	5 Yrs	YTD	Since Inception
Fund	0.23%	3.19%	6.99%	11.90%	0.23%	116.99%

Note: Performance figures are net of fees and taxes.

Top Ten Holdings		
Holdings		% of Fund
1 HTC PH GOV 6.125% 22Aug2028		18.11
2 HTC AEV 7.5321% 07Dec2029		9.15
3 HTC ACEN 6.0526% 22Sep2027		6.95
4 HTC SMC GP 8.0288% 26Jul2032		5.29
5 HTC RCB 4.18% 30Jun2026		5.08
6 HTC NLEX 6.6407% 04Jul2025		4.93
7 HTC SMPH 5.0994% 15Nov2028		4.57
8 HTC AC 4.82% 10Feb2025		4.49
9 HTC SMC 5.7613% 01Mar2027		4.23
10 HTC PH GOV 5.875% 01Mar2032		4.06



Dividend Distribution				
Ex-Dividend Date	Payment Date	Cash Dividend Per Share	NAVPS at Ex-Dividend Date	Distribution Yield (Annualized)
18-Jan-18	29-Jan-18	0.0200	1.8981	2.11%
26-Oct-18	22-Nov-18	0.0121	1.8586	1.30%
12-Dec-19	17-Jan-20	0.0300	1.8993	1.58%
03-Nov-20	27-Nov-20	0.0600	1.8939	3.17%
15-Dec-21	18-Jan-22	0.0450	1.8857	2.39%
14-Oct-22	21-Nov-22	0.0200	1.8715	1.07%
13-Oct-23	20-Nov-23	0.0200	1.8984	1.05%
11-Oct-24	20-Nov-24	0.0650	1.8892	3.44%

Note: Income distributed is based purely on interest and dividends earned and paid to / received by the Fund. Distribution Yield (Annualized) is computed by taking the cash dividend (income) per share in the base currency and dividing it by the NAV per share on the Ex-Dividend Date (except for the two semi-annual payouts in 2018, whose Annualized Distribution Yield was obtained by doubling the semi-annual yield to reflect a full year's equivalent).

OUTLOOK AND STRATEGY

Manager's Review

The Philippine yield curve had a prominent steepening move as investors opted to shift to the front of the curve in anticipation of the fresh supply in the belly and long-ends. The Bureau of the Treasury (BTr) has resumed its weekly auction schedule in January, and its planned borrowing is concentrated on the 5, 7, 10, and 25-year tenors. An increase in demand for the bonds with less than 3 years of maturity was seen at the beginning of January as players hoped to evade the incoming supply risk. Bargain-hunters then emerged mid-month, taking advantage of the already elevated yield levels. On the latter part of the month, decent two-way action was seen but was slightly skewed towards selling as most players opted to secure gains. For January, benchmark yields for bonds with less than 3 years of maturity sank by an average of 42 basis points (bps). The 3 to 10-year tenors also decreased by 8 bps. Meanwhile, bonds with more than 10 years of remaining life saw yields increase by 19 bps.

Philippine macroeconomic data came in mix in January. Prices had a slight uptick as headline Consumer Price Index (CPI) came at 2.9% year-on-year (YoY) in December from November's 2.5%. The main reason for the higher figure was the faster increase of the housing, utilities, and energy basket at 2.9% from 1.9% from the previous month. Transportation cost also contributed as it increased by 0.9% from a decline of 1.2%. On the other hand, Philippine Gross Domestic Product (GDP) missed estimates. The economy grew by 5.2% in the fourth quarter of 2024, bringing the full-year 2024 GDP growth to 5.6%. Markets estimated that GDP in 4Q 2024 will grow by 5.5%. A weaker consumption spending was the culprit of the slowdown, which grew by 4.7% from previously 5.1%.

On the monetary policy side, the Bangko Sentral ng Pilipinas (BSP) mentioned that inflation is still within their target band, which supports a less restrictive policy. BSP Governor Eli Remolona believes that the current policy rate is still in restrictive territory compared to what they think as the "Goldilocks" rate. Nonetheless, the monetary authority said they will continue to closely monitor the emerging upside risks to inflation, notably geopolitical factors.

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Corporate bond trading activity, which totaled Php 1.97 billion, rebounded to start the year. Consistent with previous periods, market participants were actively trading corporate bonds under the 1 to 3-year and 3 to 5-year tenor buckets. For the month of January, property heavyweights such as Ayala Land and SM Prime Holdings, along with leading conglomerate San Miguel Corporation, were recorded as the top traded issuers similar to previous months.

On the primary front, January was a quiet month, with no primary listings recorded for the period. Despite some easing in corporate bond issuances in the past month, primary activity appears to be picking up with a healthy pipeline for the balance of the year. Bank of Commerce and SM Prime Holdings will tap the corporate bond market through several bond issuances. Bank of Commerce aims to raise up to PHP 5 billion worth from a dual tranche listing (2 and 5.25-year), while SM Prime Holdings (SMPH) targets to issue 3, 6, and 10-year bonds with an aggregate amount of PHP 20 billion. For SMPH, this will be the second tranche under their issuer's debt securities program amounting to a total of PHP 100 billion.

Fund Attribution and Positioning

The ATRAM Corporate Bond Fund remains guided by its income and stability objectives. The Fund will maintain its strategic positioning in high coupon-bearing corporate bonds and government securities consistent with its dual mandate. Going into the policy easing cycle, the Fund is effectively guarded by its hold-to-maturity business model that is applied to a substantial portion of the portfolio. Such business model has allowed to the fund to lock in medium to long-term instruments at very high yields, mitigating reinvestment risk along with interest rate risk. Meanwhile, diversification will continue to be the focal point of the Fund's credit positioning, investing in high-quality credits and fundamentally strong sectors that exhibit increased profitability, stable cash flows, and robust balance sheets. As of January 2025, the Fund's average yield, duration, and tenor is 5.71%, 2.51 years, and 2.96 years, respectively. The Fund recorded a return of 23 basis points for the month of January.

Market Outlook

Looking ahead, we expect further steepening of the yield curve, as primary auctions force market alignment to the bid side. We also expect that the BSP will continue to move towards a less restrictive policy given that CPI levels are still within target. Investors may also take cues from the developments abroad, namely the future fiscal policies of President-elect Trump. We continue to be highly agile in our fund management and will continue to adjust our strategies given the changes in the current environment. On the credit side, strategic positioning remains defensive through optimal credit diversification to manage sector and issuer idiosyncratic risks. Meanwhile, we remain vigilant for any early signs of sector/issuer credit deterioration. We aim to appropriately adjust portfolio positioning when warranted and maintain a stable and defensive credit risk profile.

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+632-8818-5952; 5322-7696 loc. 114, or e-mail CGFD@sec.gov.ph.

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