
FINAL PROSPECTUS

ATR KIMENG ASIAPLUS RECOVERY FUND, INC.

(Formerly DWS Deutsche Philippine Equity Fund, Inc.)

17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City, 1200 Philippines
Telephone Nos.: +632-848-1381 through -84 | Facsimile No.: +632-841-0315

200,000,000 Shares Common Stock

ATR KimEng AsiaPlus Recovery Fund, Inc. (the “Fund”) is an Open-End Investment Company (also known as a “mutual fund”) established in accordance with Republic Act No. 2629, otherwise known as the Investment Company Act, and duly registered with, and regulated by, the Securities and Exchange Commission (the “SEC”).

This offering consists of Two Hundred Million (200,000,000) shares of common stock, with par value of One Centavo (P 0.01) per share (the “Shares”). The Shares shall be offered continuously to the general public at the current Net Asset Value per share (“NAVps”) plus any applicable Sales Fees. The Net Asset Value is hereby and henceforth re-denominated into U.S. Dollars (USD), and commencing on Redenomination Date (as defined herein), is offered at the current NAVps of One U.S. Dollar (USD 1.00). Additional information about the Fund has been filed with the SEC and is available upon request.

Investment Manager and Principal Distributor:



(Formerly The Mutual Fund Management Company of the Philippines, Inc.)

17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City, 1200 Philippines
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The Date of this Prospectus is 08 March 2010

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. INVESTMENT IN SHARES OF THE FUND INVOLVES RISK.

This Prospectus should be read carefully and retained for future reference.

No dealer, salesperson or other individual has been authorized to give any information or make representation other than those contained in this Prospectus and, if given or made, such other information or representation must not be relied upon as having been authorized by the Fund or by the Investment Manager.

The proceeds from the sale of the securities shall be invested and reinvested mainly in a portfolio of high-quality equity securities listed on the Philippine Stock Exchange and other international stock exchanges, and in high-quality offshore-domiciled funds invested in high-quality equity securities listed in other countries.

ATR KimEng AsiaPlus Recovery Fund, Inc. (the “Fund”) is a stock corporation duly registered with the Securities and Exchange Commission on January 31, 2008, under SEC Registration No. CS200801020. The Fund is an open-end investment company, i.e., a mutual fund. The Fund’s primary investment objective is to invest and reinvest mainly in a diversified portfolio of high-quality equity securities listed on the Philippine Stock Exchange and other international stock exchanges, and in high-quality offshore-domiciled funds invested in high-quality equity securities listed in other countries, and thereby provide investors returns consisting of dividend income and capital growth through investments in such securities. The Fund is designed for those who desire high growth with high risk.

The Fund shall invest approximately: fifty percent to ninety percent (50%-90%) of its portfolio in high-quality offshore-domiciled funds invested in high-quality equity securities listed in other countries; zero to fifty percent (0%-50%) of its portfolio in individual high-quality equity securities listed in other countries; and zero to ten percent (0%-10%) of its portfolio in individual high-quality equity securities listed on the Philippine Stock Exchange. The Fund intends to focus its investing activities largely on shares of stock of Asian companies and/or offshore funds invested largely in shares of stock of Asian companies; however, it shall retain the flexibility to take advantage of opportunities outside Asia from time to time. The Fund shall not invest more than ten percent (10%) of its Net Asset Value in any single enterprise. For purposes of liquidity at least ten percent (10%) of the Fund’s assets shall be invested in liquid/semi-liquid assets.

The Fund has an authorized capital stock of Two Million Pesos (PHP 2,000,000.00) divided into Two Hundred Million (200,000,000) unclassified common shares with a par value of One Centavo (PHP 0.01) per share, of which Twenty-One Thousand Eight Hundred Nineteen and 57/100 (21,819.57) shares are subscribed and fully paid up as of the Redenomination Date, which is the same date as the date of this Prospectus. In addition, Twenty-One Thousand Eight Hundred Fourteen U.S. Dollars and Eighty-Four U.S. Cents (USD 21,814.84) have been paid in as additional capital as of the Redenomination Date.

The shares will be offered over-the-counter on a continuous basis at the current Net Asset Value per share (“NAVps”), which is One U.S. Dollar (USD 1.00) as of the Redenomination Date. Upon redemption of any of these shares, the shares redeemed will again be offered over-the-counter. Assuming all of the authorized shares will be sold at the current NAVps of One U.S. Dollar (USD 1.00), the total net proceeds would equal One Hundred Ninety-Nine Million Eight Hundred Twenty-Four Thousand Nine Hundred Eight U.S. Dollars and Fourteen U.S. Cents (USD 199,824,908.14). Total expenses from the issuance of shares of the Fund consist of registration statement fees, filing fees, legal fees and lawyers’ out-of-pocket expenses, newspaper advertisements, and other consultancy fees.

For investors purchasing shares of the Fund, the minimum investment shall be an amount of not less than Two Thousand U.S. Dollars (USD 2,000.00) as determined from time to time by the Fund. The subsequent investment shall be at least Five Hundred U.S. Dollars (USD 500.00) and shall be in multiples of Five Hundred U.S. Dollars (USD 500.00). The Sales Fee to be charged to the investor will not exceed five percent (5%) of the Peso value of the shares being purchased.

The minimum redemption amount is Five Hundred U.S. Dollars (USD 500.00), unless the investor’s outstanding investment in the Fund is less than Five Hundred U.S. Dollars (USD 500.00), in which case, the minimum redemption amount shall be the total amount of the outstanding investment. If the investment being redeemed was purchased within the preceding two years, there will be a Redemption Fee not to exceed five percent (5%) of the amount of the Peso value of the shares being redeemed. No Redemption Fee will be charged for investments held for more than two years.

The Fund will be valued using the Mark-to-Market basis in accordance with PAS 39. Thus, the Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in the market value may occur as a result of various factors including material changes in the Fund, general economic conditions or interest rate policy changes.

The Custodian shall hold all proceeds from the sale of shares and/or securities, including the additional paid-in amount, at the time of incorporation constituting the original paid-in capital of the Fund.

Each shareholder has a right to any dividends declared by the Fund's Board of Directors. The basis of the declaration would be the unrestricted retained earnings of the Fund.

The Fund will pay the Investment Manager an Annual Management Fee equivalent to a maximum of five percent per annum (5% p.a.) of the assets managed. Further, the Fund will pay the distributors of the Fund as identified above an Annual Distribution Fee equivalent to a maximum of three percent per annum (3% p.a.) based on the total Net Asset Value of holdings held by the distributors for various clients.

The Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in market value may occur as a result of various factors, including material changes in the Fund, general economic conditions or interest rate and foreign exchange policy changes. The key risk factors identified for investors in this Fund are (in order of importance): capital markets risk; interest rate risk; currency risk; country or geographic risk; sector risk; management risk; liquidity risk; operational risk; and the risk of dilution. For a more detailed description of these risk factors associated with the purchase of the Fund's shares, see the "Risk Factors" section of this Prospectus and other information.

The Fund's office is located at 17/F Tower One and Exchange Plaza, Ayala Triangle, 1200 Makati City, Philippines, with telephone number +632-848-1381 through -84 and facsimile number +632-841-0315.

ALL THE REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

ATR KIMENG ASIAPLUS RECOVERY FUND, INC.

By: **EULOGIO A. MENDOZA**
Chairman and President

SUBSCRIBED AND SWORN to before me this 20th day of April 2010 in Makati City, Philippines, affiant exhibiting to me his Passport No. XX4099450 issued by the Department of Foreign Affairs, Manila on 6 July 2009.

Doc. No. 155;
Page No. 32;
Book No. V;
Series of 2010.

MARVILEN L. ALVIAR
Appointment No. M-365
Notary Public for Makati City
Until December 31, 2010
18th, 19th & 17th Floor, Liberty Center
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Salcedo Village, Makati City
Roll of Attorneys No. 55026
PTR 2094553 / Makati City / 01-07-2010
IBP LRN 08375 / Makati City / 05-27-2009

RISK DISCLOSURE STATEMENT

General Warning

- The prices of equity securities and the prices of portfolios of equity securities fluctuate, and any individual security or portfolio may experience upward or downward movement, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- Past performance is not a guarantee for similar future performance.
- There is an extra risk of losing money when securities are bought from smaller companies with limited resources. There may be a big difference between the buying price and the selling price of these securities.
- An investor deals in a range of investments, each of which may carry a different level of risk.
- The key risk factors identified for investors in this Fund are (in order of importance): capital markets risk; interest rate risk; currency risk; country or geographic risk; sector risk; management risk; liquidity risk; operational risk; and the risk of dilution. For a more detailed description of these risk factors associated with the purchase of the Fund's shares, see the "Risk Factors" section of this Prospectus.

Prudence Required

This risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He or she may request information on the securities and Issuers thereof from the SEC and other foreign regulators which are available to the public.

Professional Advice

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those of high-risk securities.

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GLOSSARY

Annual Distribution Fee	Compensation payable by the Fund to the Principal Distributor or other authorized and licensed distributors for distribution of the Fund's shares; computed daily, based on assets under management, and paid every month
Annual Management Fee	Compensation payable by the Fund to the Investment Manager for management of the Fund's portfolio; computed daily, based on assets under management, and paid every month
Business Day	A day in which all of the markets where the Fund's assets are traded and open for clearing of funds and trading in securities, and each business day will end at the hour and minute when such last exchange closes for trading of securities for the day.
BSP	Bangko Sentral ng Pilipinas
Dealers	Eligible securities dealers that have entered into an agreement to sell shares with the Fund's Investment Manager
eVAT	Expanded Value-Added Tax
Fund	ATR KimEng AsiaPlus Recovery Fund, Inc. (the "Fund" or "Issuer" or "Registrant")
Fund Accountant	Deutsche Bank AG – Manila Branch
Custodian	Deutsche Bank AG – Manila Branch
Investment Manager	ATR KimEng Asset Management, Inc. ("AAMI")
NAV	Net Asset Value, or the Fund's Total Shareholders' Equity
NAVps	Net Asset Value per share
PAS 39	Philippine Accounting Standards – Financial Instruments Recognition and Measurement
Principal Distributor	ATR KimEng Asset Management, Inc. ("AAMI")
PSE	Philippine Stock Exchange
R.A. 2629	Investment Company Act
R.A. 8799	Securities Regulation Code
Redemption Fee or Exit Load	A fee charged to the investor should the investment be redeemed within two years from date of share purchase
Redenomination Date	The date on which the Fund shall begin quoting its NAVps in U.S. Dollars, which shall be the date of the Order of the SEC rendering effective the Registration Statement relating to the Shares. Also the same date as the date of this Prospectus.
Registered Representative	The Fund's registered representative legally qualified to sell the Fund's shares
Sales Fee or Front-end Load or Entry Load	The sales commission charged to the investor upon buying the shares
SEC	Securities and Exchange Commission
Transfer Agent	Deutsche Bank AG – Manila Branch

SUMMARY OF FINANCIAL INFORMATION

ATR KimEng AsiaPlus Recovery Fund, Inc.

In Philippine Pesos (PHP)	Eleven Months Ended December 31, 2008 (Audited) *	Nine Months Ended September 30, 2009 (Unaudited)
Total Assets	74,081,606	1,151,800
Total Liabilities	287,147	150,010
Capital Stock - at PHP 0.01 par value	829,673	9,209
Additional Paid-In Capital	82,163,216	3,327,514
Net Asset Value	73,794,459	1,001,922
Net Asset Value per share or NAVps	0.8894	1.0880
Investment Income (Losses)	(7,889,891)	13,567,271
Expenses	1,308,539	2,374,919
Net Income (Net Loss)	(9,198,430)	11,192,353
Subscriptions by Shareholders	82,826,000	1,442,745
Redemptions by Shareholders	0	85,397,635

* The Fund was incorporated on January 31, 2008. The Fund began reporting its daily NAVps on August 21, 2008 at PHP 1.0036 per share.

Note: The Fund intends to file an application with the Securities and Exchange Commission for the change its functional currency from Philippine Pesos to United States Dollars.

THE ATR KIMENG ASIAPLUS RECOVERY FUND, INC.

Description of Business – The Fund

The ATR KimEng AsiaPlus Recovery Fund, Inc. (the “Fund”) is a stock corporation duly registered with the SEC on January 31, 2008, under SEC Registration No. CS200801020. The Fund is an open-end investment company (also known as a “mutual fund”) regulated by the SEC’s Corporate Finance Department. A mutual fund’s principal business is to sell its shares of stock to the investing public; investors subscribe to a mutual fund’s shares in order to realize favorable returns on their investment; in turn, a mutual fund pools investors’ monies into a portfolio which seeks to satisfy investors’ expectations.

At a Special Shareholders’ Meeting on November 12, 2009, resolutions were ratified to:

1. Amend the Fund’s Articles of Incorporation and By-Laws to reflect changes in the Fund’s: (a) registered name from DWS Deutsche Philippine Equity Fund, Inc. to ATR KimEng AsiaPlus Recovery Fund, Inc.; and (b) principal office from 23/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City, 1200 Philippines to 17/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City, 1200 Philippines, respectively. The foregoing amendments were approved by the SEC on December 8, 2009;
2. Change the Fund’s Investment Objective and Investment Policy, and reflect these changes in this present Prospectus and an amended Registration Statement; the significant changes being:
 - a. Investment in foreign equities (particularly publicly-listed Asian equities) and in offshore-domiciled funds exposed to foreign equities (particularly publicly-listed Asian equities); and
 - b. The Fund’s Net Asset Value per share will be denominated in U.S. Dollars instead of Philippine Pesos;
3. Change the Fund’s Investment Manager from Deutsche Bank AG – Manila Branch – Trust Department to ATR KimEng Asset Management, Inc. (“AAMI”, formerly named The Mutual Fund Management Company of the Philippines, Inc.);
4. Appoint AAMI as the Fund’s Principal Distributor; and

5. Change the Fund's Custodian from Citibank N.A. to Deutsche Bank AG – Manila Branch, subject to resolution (3) above.

The Fund's revised investment objective is to invest and reinvest mainly in a diversified portfolio of high-quality equity securities listed on the PSE and other international stock exchanges, and high-quality offshore-domiciled funds. The Fund's principal products are its shares (securities). The Fund is designed to provide returns to investors consisting of dividend income and capital growth through such investments. In view of its investment objective, this Fund is classified as moderate- to high-risk.

In view of the changes in the Fund's investment objective and the re-denomination of the Fund's NAVPs from Philippine Pesos to United States Dollars, it is anticipated that major transactions of the Fund will be denominated in United States Dollars. In this respect, the Fund intends to file an application with the Securities and Exchange Commission to change the functional currency of its financial statements to United States Dollars.

The new Investment Manager and Principal Distributor will be AAMI. The Fund Accountant, Custodian and Transfer Agent will be the Deutsche Bank AG – Manila Branch. Shares of the Fund's common stock are to be distributed by AAMI, in its capacity as the Fund's newly-appointed Principal Distributor, and by other registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund.

The Fund has an authorized capital stock of Two Million Pesos (PHP 2,000,000.00) divided into Two Hundred Million (200,000,000) unclassified common shares with a par value of One Centavo (PHP 0.01) per share, of which Twenty-One Thousand Eight Hundred Nineteen and 57/100 (21,819.57) shares are subscribed and fully paid up as of the Redenomination Date, which is the same date as the date of this Prospectus. In addition, Twenty-One Thousand Eight Hundred Fourteen U.S. Dollars and Eighty-Four U.S. Cents (USD 21,814.84) have been paid in as additional capital as of the Redenomination Date.

Total expenses from the issuance of shares of the Fund consist of registration statement fees, filing fees, and documentary stamp tax.

The shares will be offered over-the-counter on a continuous basis. Upon redemption of any of these shares, the shares redeemed will again be offered over-the-counter.

The Fund will be valued using the Mark-to-Market basis in accordance with PAS 39. Thus, the Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in the market value may occur as a result of various factors including material changes in the Fund, general economic conditions or interest rate policy changes.

There are no current or contemplated material pending legal proceedings concerning the Fund's properties, since the Fund does not own or intend to acquire properties in the next 12 months. The Fund has no subsidiaries.

There are no government approvals needed for the Fund to operate as a mutual fund except for registration with the SEC pursuant to the Securities Regulation Code and the Investment Company Act. With regard to certain government regulations which affect the operation of the Fund, the National Internal Revenue Code of 1997, as amended, and the regulations of the SEC govern the tax liabilities and the reportorial requirements of the Fund.

The Fund competes with other mutual funds managed by other fund managers operating in the Philippines. Based on disclosures by the Investment Company Association of the Philippines ("ICAP"), the local mutual fund industry organization, all domestically-domiciled mutual funds had net assets under management ("Net AUM") of PHP 68.7 billion at the end of 2009. The various fund families are ranked below:

Mutual Fund Families in the Philippines (Net AUM in PHP million)	No. of Funds as of Dec. 31, 2009	Net AUM		Attribution of YTD Change in Net AUM		
		As of Dec. 31, 2008	As of Dec. 31, 2009	Net Sub- script- ions	Invest- ment Perfor- mance	Total Change in Net AUM
Bank of the Phil Islands / Ayala Life	5	28,580	31,205	1%	8%	9%
Philam Asset Mgmt., Inc. (AIG)	7	13,506	15,532	-7%	22%	15%
Sun Life Asset Management Corp.	7	12,560	15,086	4%	16%	20%
Philequity Management, Inc.	4	1,824	2,506	-18%	55%	37%
Metrobank (First Metro Asset Mgmt.)	4	848	1,240	4%	42%	46%
Grepalife	2	691	839	10%	12%	21%
ATR KimEng Asset Mgmt., Inc.	3	619	760	-5%	27%	23%
Prudentialife	2	605	693	4%	11%	15%
Cocolife (United Coconut Planters)	2	459	579	6%	20%	26%
Multinational Investment Bancorp	1	142	137	-8%	4%	-4%
MAA Mutualife	2	83	87	-7%	13%	5%
Deutsche Bank AG - Manila Br.	2	100	2	-108%	10%	-98%
First Galleon *	0	14	N/A	N/A	N/A	N/A
Total	41	60,030	68,666	-1%	15%	14%

Source: ICAP.

* First Galleon's one mutual fund was removed by ICAP from the organization's roster in late 2009.

The three leading players in the domestic mutual fund sector are: Bank of the Philippine Islands, Philam Asset Management, Inc. (a unit of American International Group), and Sun Life Asset Management Corporation (a unit of Sun Life of Canada), together possessing a market share of 90% of end-2009 mutual fund industry Net AUM. The industry's Net AUM increased by 14% during 2009, mainly because of the recovery in market valuations following the severe global financial crisis of 2007-08. Investor demand for mutual funds is expected to grow in the coming years on the back of: favorable economic prospects (hence increased household savings); increasing public awareness of mutual funds as viable and well-regulated investment vehicles; and the implementation of the Personal Equity Retirement Act of 2008, which encourages tax-paying individuals to build personal pension accounts.

The principal methods of competition are investment performance, which ultimately drives the direction of the fund price, and customer service, which is marked by regular updates and client information briefings geared at keeping investors abreast of market developments. Marketing strategies in bringing the product to the public hinge on a strong alliance with identified institutional partners having robust distribution platforms.

The Registrant believes it can compete effectively with other companies in this sector because of the expertise, track record and credibility of its Investment Manager (AAMI), whose overall investment policies ensure that risk, if any, is managed in an optimal manner such that excessive risk is not taken in order to not expose investors to potential significant losses. Moreover, AAMI is part of the ATR KimEng Group, the Philippines' leading non-bank-affiliated diversified financial group. The ATR KimEng Group's significant businesses include investment banking and advisory, stock broking, and insurance, among other segments.

The ATR KimEng Group possesses more than two decades' experience in the domestic and international capital markets, earlier as a subsidiary of regional stock broker and investment bank Peregrine International Holdings Ltd. of Hong Kong, and since 1998 as a member of the regional stock broking network of Kim Eng Holdings Ltd. ("Kim Eng"). The ATR KimEng Group's investment banking and stock broking businesses are able to access foreign institutional investors via Kim Eng's presence throughout Asia and in the major financial centers of North America and Europe.

The ATR KimEng Group pursues its asset management business through AAMI and the Trust Department of ATR KimEng Capital Partners, Inc., the Philippines' largest non-bank-affiliated investment bank. This group of entities is known collectively as the ATR KimEng Asset Management Group ("ATRKE AMG").

The Fund does not have employees and does not anticipate having employees within the next 12 months, other than its corporate officers disclosed herein.

Capitalization

The Fund has an authorized capital stock of Two Million Pesos (PHP 2,000,000) divided into Two Hundred Million (200,000,000) unclassified common shares with a par value of One Centavo (PHP 0.01) per share.

As of the Redenomination Date, the following are the Fund's only shareholders:

Shareholder	Number of Shares	Amounts, inclusive of Additional Paid-in Capital	
		in PHP	USD-equivalent
ATR KimEng Capital Partners, Inc.	21,814.57	PHP 1,005,433.53	USD 21,819.57
Mr. Eulogio A. Mendoza	1.00	46.09	1.00
Ms. Modesta P. Mammoad	1.00	46.09	1.00
Mr. Gerald D. Baldivia	1.00	46.09	1.00
Dr. Herminio B. Coloma, Jr.	1.00	46.09	1.00
Ms. Ethylyn Reyes	1.00	46.09	1.00
TOTAL	21,819.57	PHP 1,005,663.98	USD 21,819.57

On September 25, 2009, shareholder ATR KimEng Capital Partners, Inc. ("ATRKE Capital") subscribed to Nine Hundred Twenty Thousand Eight Hundred Ninety-Five and 11/100 (920,895.11) shares of the Fund at the then-current Net Asset Value per share ("NAVps") of PHP 1.0859 for an aggregate investment of One Million Pesos (PHP 1,000,000.00). On the same date, the Fund's five board directors (enumerated above) subscribed to one (1) share each at the same NAVps. All other previous investors fully redeemed their share holdings in the Fund on said same date. Hence, as of September 25, 2009, the Fund's total subscribed and fully-paid up capital base amounted to Nine Hundred Twenty Thousand Nine Hundred and 11/100 (920,900.11) shares representing a Net Asset Value of One Million and Five Pesos and Forty-Three Centavos (PHP 1,000,005.43).

On the Redenomination Date, the Fund changed the currency denomination of its quoted NAVps from Philippine Pesos into U.S. Dollars, and repriced its NAVps from the then-current value of PHP 1.0918 to USD 1.0000 (which was equivalent to a NAVps of PHP 50.3211, based on that day's prevailing foreign exchange rate of PHP 46.090 per USD).

Effective on Redenomination Date, all outstanding shares of the Fund were redeemed at the then-current NAVps. Concurrently with such redemption, new shares were issued to all shareholders at the repriced NAVps of USD 1.0000.¹ The redemption proceeds were applied as payment for the new shares issued to such shareholders. No Sales Fees or Redemption Fees were assessed from shareholders for the redemption and issuance of shares pursuant to the repricing actions on Redenomination Date.

The foregoing repricing actions on Redenomination Date resulted in a decrease in the number of shares of ATRKE Capital in the Fund from Nine Hundred Twenty Thousand Eight Hundred Ninety Five and 11/100 (920,895.11) to Twenty One Thousand Eight Hundred Fourteen and 57/100 (21,814.57) shares.²

As part of the repricing actions on Redenomination Date, the Fund's five (5) directors were required to make an additional subscription payment of Forty-Five Pesos (PHP 45.00) each in order to maintain their subscription of one (1) share each at the repriced NAVps of USD 1.0000.

¹ The new number of shares subscribed by the shareholders of the Fund was determined using the following three-step process: (1) the original number of subscribed shares was multiplied by the current Peso-denominated NAVps (which in this case is PHP 1.0918) to arrive at the Peso-denominated Net Asset Value; then, (2) this Peso-denominated Net Asset Value was divided by the current Peso-per-Dollar exchange rate of PHP 46.090 per USD to arrive at the Dollar-denominated Net Asset Value; finally, (3) the Dollar-denominated Net Asset Value was divided by the re-set Dollar-denominated NAVps of USD 1.0000 to produce the new number of subscribed shares.

² The new number of shares subscribed by ATRKE Capital was determined using the following three-step process: (1) the original number of subscribed shares of 920,895.11 was multiplied by the current Peso-denominated NAVps (which in this case is PHP 1.0918) to arrive at the Peso-denominated Net Asset Value of PHP 1,005,433.53; then, (2) this Peso-denominated Net Asset Value was divided by the current Peso-per-Dollar exchange rate of PHP 46.090 per USD to arrive at the Dollar-denominated Net Asset Value of USD 21,814.57; finally, (3) the Dollar-denominated Net Asset Value was divided by the re-set Dollar-denominated NAVps of USD 1.0000 to produce the new number of subscribed shares of 21,814.57.

As a result of the foregoing actions, the Fund's total subscribed and fully-paid up capital base as of the Redenomination Date amounted to Twenty-One Thousand Eight Hundred Nineteen and 57/100 (21,819.57) shares representing Twenty-One Thousand Eight Hundred Nineteen U.S. Dollars and Fifty-Seven U.S. Cents (USD 21,819.57), inclusive of additional paid-in capital.

None of the shareholders has subscribed to any additional Fund shares since the Redenomination Date.

There are no other shareholders invested in the Fund as of the Redenomination Date. None of the above shareholders are bound by a lock-up period, the twelve (12) month lock-up period imposed on the original shareholders of the Fund having expired last August 15, 2009.

The Fund did not declare any dividends (whether cash dividends or stock dividends) or any stock splits during the interim nine-month period ended September 30, 2009 and during year ended December 31, 2008; neither did it declare any dividends or splits prior to 2008 as the Fund was incorporated during 2008.

Notwithstanding the redenomination of the Fund's quoted NAVps into U.S. Dollars, the Fund's par value remains unchanged at One Centavo (PHP 0.01) per share.

Market Price and Dividends on Registrant's Common Equity and Related Shareholder Matters

The shares of the Fund are traded over-the counter. The Fund's common shares are available through the Fund itself and other registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund.

Quarterly NAVps Performance – 2009				
NAVps (PHP)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Highest	0.9234	1.0705	1.2853	1.0903
Lowest	0.8749	0.9091	1.0044	1.0881
Closing	0.9151	1.0085	1.0880	1.0903
Average	0.8913	0.9796	1.0870	1.0892

Quarterly NAVps Performance – 2008 *				
NAVps (PHP)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Highest	N/A	N/A	1.0036	0.9914
Lowest	N/A	N/A	0.9656	0.8533
Closing	N/A	N/A	0.9881	0.8891
Average	N/A	N/A	0.9890	0.9027

* The Fund began reporting its daily NAVps on August 21, 2008 at PHP 1.0036 per share.

Each shareholder has a right to any dividends declared by the Fund's Board of Directors. The basis of this declaration would be the unrestricted retained earnings of the Fund.

Description of Shares

Each share of stock of the Fund has voting rights equal to every other outstanding share of stock. The shares have the following additional features:

(1) Distribution of Dividends

Each shareholder has a right to any dividends declared by the Fund's Board of Directors. There are no current or future restrictions that would limit the ability to pay such dividends on the Fund's common equity.

(2) Denial of Pre-emptive Rights

No shareholder shall, because of his or her ownership of shares, have a pre-emptive or other right to purchase, subscribe for or take any part of any shares or of any other securities convertible into or carrying options or warrants to purchase shares of the Fund.

(3) Right of Redemption

When the holder redeems his or her shares in the Fund, he or she is entitled to receive by way of redemption, approximately his or her proportionate share of the Fund's current net assets or the cash equivalent thereof.

There are no other material rights of common stockholders.

Notes

1. The Fund's shares will not be offered for the account of security holders.
2. The Fund's shares will not be offered other than for cash.
3. The Fund does not own any properties and does not intend to acquire any properties within the next twelve (12) months.
4. The Fund does not have any subsidiaries.
5. There is no public trading market for the Fund.
6. There is no underwriter for the offering and issuance of the Fund's shares.
7. There are no provisions in the Fund's articles of incorporation or by-laws that would delay, defer or prevent a change in control of the Fund.
8. The Fund's shares will not be offered pursuant to a dividend or interest reinvestment plan the terms of which provide for the purchase of some securities on the market.
9. Under the Fund's By-Laws, the Board of Directors has the power and discretion to declare compensation, honoraria or per diems payable to the directors. The Fund pays its Directors a per diem of PHP 5,000 per Board Meeting. The Fund did not make any per diem payments to its Directors in 2008. The Fund paid its Directors aggregate per diem of PHP 30,000.00 in 2009.
10. The Fund is not a party to any material pending legal proceedings.

RISK FACTORS

An investor deals in a range of investments, each of which may carry a different level of risk. Mutual funds have the following general characteristics: returns may vary, the investor may lose money, and the investor cannot be certain that a given Fund will achieve its investment objective.

Although the Fund seeks to preserve the value of its investments, it is possible for an investor to lose money by investing in the Fund. The value of a mutual fund will change from day to day according to the market value of the individual instruments and securities in the portfolio. A fund's component investments fluctuate in value for a number of reasons including: corporate business competitiveness and financial health; conditions in the capital markets; economic conditions, including interest rates, inflation, and foreign exchange rates; political factors; government regulations; and taxation. As a result, the Fund's Net Asset Value per share may at any time be worth more or less than when the investor purchased the shares.

The value of any mutual fund, including this Fund, is not guaranteed or insured by the Philippine Deposit Insurance Corporation or by any other public or private entity.

The Fund is not intended to be a complete investment program, but individual funds, such as this Fund, can be an important part of a balanced and diversified investment program.

The Fund's Investment Manager, ATR KimEng Asset Management, Inc. has a wealth of experience in managing investments. The Investment Manager has adopted risk management/control methods, which include portfolio monitoring, performance analysis, decentralized dealing, best execution trading, investment/policy

constraints review and market monitoring. With the help of these methods, the Investment Manager would be able to identify, assess, and manage these risks. The following risks are deemed important to the Investment Manager and therefore to the Fund's investors as well:

■ **Capital Markets Risk**

Capital markets risk is the risk that market prices of individual securities (in the Fund's case, shares of publicly traded stocks) may fluctuate. Capital markets risk is also reflected in the NAVps of investee funds, to the extent that said funds themselves hold securities subject to fluctuations in market prices. This risk is generally divided into two components: unsystematic risks (i.e., company- or issuer-specific risks) and systematic risks (i.e., market-related risks). Unsystematic risks mainly emanate from a company's or issuer's expected profitability and free cash flow generation, and the trajectory and stability of the growth of these. Forecasts of profits and free cash result from an understanding of the company's or issuer's fundamental prospects; its competitive strengths, weaknesses, opportunities and business risks; the robustness of its balance sheet and financial condition; and its management's strategic plans and ability to implement said plans. Systematic risks encompass all other factors (outside of the specific company or issuer) and therefore subsume many of the other important risks identified later in this list of risks. Worth mentioning, however, is the specific contribution to systematic risk posed by market sentiment, which refers to the overall mood or psychological state of the majority of buyers and sellers within a given capital market. Investors react to government announcements, surveys, and other news about broad consumer inflation, prices of important commodities (e.g., energy, metals and agricultural products), business and consumer confidence, demand growth or contraction, and employment. An increase in the number of sellers, together with the absence or shortage of buyers, could depress the price of a security.

To manage capital markets risk, the Fund will continuously employ fundamental company analysis, technical analysis (i.e., the use of charts to forecast price trends), analysis of industries and sectors, and analysis of country and global macroeconomic conditions. The Fund will rely on quantitative analysis to measure historical risk and performance of its own portfolio and of the offshore-domiciled funds in which it will invest. Whenever warranted, the Fund will rebalance its portfolio of individual stocks and offshore-domiciled funds to adapt to day-to-day changes and/or longer-term trends in the capital markets.

■ **Interest Rate Risk**

Share prices respond inversely to movements in interest rates, and this includes: (a) changes in prevailing interest rates in the global markets for fixed-income instruments denominated in the leading currencies (i.e., the U.S. Dollar, the Yen, the Euro, the British Pound, and, with rising significance, the Renminbi); as well as (b) changes in prevailing interest rates in the specific countries in which the Fund shall have direct equity exposure. The sensitivity to interest rates will also be indirectly expressed in the NAVps of the offshore-domiciled funds in which the Fund shall invest.

To mitigate the impact of interest rate risk on the Fund's entire portfolio, global economic, capital markets and political trends will need to be continuously monitored. In particular, the Fund shall stay abreast of changes in the term structure of interest rates (also known as the "yield curve"). The Fund will diversify its portfolio accordingly, and may also resort to hedging techniques from time to time.

■ **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 stock market values.

To address this concern, the Fund needs to monitor the health of key countries' economies and political situations, and also said countries' cross-border trade and capital flows. This constant evaluation would drive how the Fund will diversify its portfolio and employ other hedging techniques.

■ **Country or Geographic Risk**

The Fund will invest in various countries, both directly through listed stocks and indirectly via offshore-domiciled funds. Share prices in a given country or region broadly decline whenever there is negative news regarding that country's or region's socio-political conditions (e.g., civil unrest, war) and economy (e.g., accelerating inflation, a ballooning fiscal deficit, calamity-induced supply shocks). Occasionally, due to political or regulatory changes, difficulties may arise in liquidating investments in a country and repatriating those out of the country. A sovereign default, which is the inability of a national government to service its debt obligations, will often indirectly (and sometimes directly), and always severely, impact equity valuations within that country.

To mitigate this risk, the Fund will maintain a suitable diversification of individual equity investments across different countries within Asia. The offshore-domiciled funds in which the Fund shall invest will themselves already offer varying degrees of geographical diversification within Asia. Moreover, the Fund retains the ability to build up a significant exposure outside of Asia from time to time, i.e., whenever the Fund views the equity markets of the Asian region as a whole to be either expensively valued or entering a more volatile period. By virtue of its nature, the Fund will be far better diversified against country or geographic risk than most existing mutual funds in the Philippines, as the majority of local mutual funds are concentrated solely on Philippine risk. By this one measure, the Fund is in theory less risky than Philippine mutual funds invested solely or primarily in Philippine equities.

■ **Sector Risk**

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).

The Fund may bear significant sectoral risk from time to time, either as a result of a deliberate decision to take opportunities in industries anticipated to lead or help spur the Asian or global economic recovery, or merely as a consequence of the Fund's country weightings or individual stock selection. In managing sector risk, the Fund will monitor sectoral concentration and evaluate whether or not to maintain or adjust said concentration upwards or downwards.

■ **Management Risk**

Management risk is 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 or misallocating the assets of the Fund. These errors in judgment can, of course, result in the Fund's underperformance or possibly a decline in value or loss.

To mitigate the risk, the Fund will be managed by AAMI, a seasoned asset manager with consistent performance record over a prolonged period of time. In addition, the Fund reduces management risk by investing a substantial portion of the portfolio in a basket of offshore-domiciled funds managed by experienced international asset management companies. Therefore, for purposes of this Fund, AAMI would be acting as a manager of other fund managers. As such, the Fund's portfolio should at all times reflect a beneficial mix of investment styles and focus.

■ **Liquidity Risk**

Liquidity risk is the possibility that a Fund may not have enough cash balances and cash flows to meet investor redemptions and/or pursue more attractive investment opportunities. One or more of the following underlying causes may contribute to a sudden "cash crunch":

- The Fund may be experiencing larger-than-usual redemptions, whether as a result of a widespread decline in investor appetite for the Fund or the unexpected receipt of a large redemption request from one major (typically institutional) investor;

- The Fund may not be maintaining, as a matter of policy, a sufficiently prudent level of cash and near-cash balances, and/or may not have obtained sufficient lines of revolving credit for itself;
- The Fund may be heavily invested in “illiquid” securities, defined as those which are either: (1) not heavily traded in the markets, or (2) not attractive enough to buyers at the current market price level, such that if the Fund urgently needs to dispose of such illiquid securities it would need to absorb substantial capital losses just to induce buyers to come forward.

When redemption amounts exceed available liquid holdings and credit lines, the Fund would have to sell investments/securities, and if this need arises during periods of extreme market volatility, then even securities which are not illiquid may potentially have to be sold at a loss as well.

The consequences for a Fund of a liquidity crunch can be serious. If a Fund is unable to meet redemptions in a timely manner, not only would it damage its reputation within the investor community; it may furthermore be penalized by the SEC for violating the legal requirement to pay out cash proceeds within seven (7) business days from receipt of Notice of Redemption.

The Investment Manager is responsible for the management of the Fund’s overall liquidity risk. To mitigate this risk, the Fund shall maintain, in accordance with the guidelines prescribed by the SEC, a liquidity reserve of no less than ten percent (10%) of the Fund’s Net Asset Value to cover regular redemptions. The Fund may also elect to maintain committed credit lines.

To reduce the likelihood of being unable to divest illiquid investments, the Investment Manager shall select only: (1) high-quality securities which have a healthy daily market turnover volume; and (2) high-quality offshore-domiciled funds investing in liquidly traded foreign securities.

The Investment Manager will seek to maintain open lines of communications with major investors in the Fund so as to gain indications of any sizeable redemptions well in advance thereof.

The Investment Manager shall monitor the Fund’s daily liquidity position and subject the Fund’s portfolio to regular stress tests and scenario analysis to evaluate its potential response to severe market conditions. All liquidity policies and procedures are subject to review and approval by the Investment Committee of the Investment Manager. A summary report, including any exceptions and remedial action taken, is submitted regularly to the Investment Committee of the Investment Manager.

■ **Operational Risk**

Operational risk refers to the likelihood of human error in processing the daily transactions of the Fund.

The Fund Accountant brings considerable experience to bear in fulfilling this function, as it benefits from the global third-party fund accounting practice of the Deutsche Bank Group. Moreover, the Investment Manager provides independent oversight, as it also possesses competency and experience in fund accounting. The Investment Manager capably performs the fund accounting function for other mutual funds that it manages, namely: The Mutual Fund Company of the Philippines, Inc., ATR KimEng Equity Opportunity Fund, Inc., and ATR KimEng Money Market Fund, Inc.

■ **Risk of Dilution**

Because the Fund is an open-end mutual fund, investors may effectively subscribe to any amount of shares in the Fund. As such, 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.

USE OF PROCEEDS

Assuming all of the authorized shares will be sold at the current NAVps of One U.S. Dollar (USD 1.00) as of the Redenomination Date, the total gross proceeds would equal Two Hundred Million U.S. Dollars (USD 200,000,000.00). The Fund estimates that its total expenses related to this offering will be approximately Eight Million Sixty-Nine Thousand Nine Hundred Eighty-Three Pesos and Eighty-Five Centavos (PHP 8,069,983.85), or One Hundred Seventy-Five Thousand Ninety-One U.S. Dollars and Eighty-Six U.S. Cents (USD 175,091.86) at an exchange rate of PHP 46.090 per USD, consisting of:

Estimated Expenses	PHP	USD
SEC filing fees (registration fees, etc.)	7,590,725.00	164,693.53
Legal fees & lawyers' out-of-pocket expenses	425,354.85	9,228.79
Newspaper advertisements	43,904.00	952.57
Other consultancy fees	10,000.00	216.97
Total	8,069,983.85	175,091.86

Hence, the expected net proceeds of this offering would amount to One Hundred Ninety-Nine Million Eight Hundred Twenty-Four Thousand Nine Hundred Eight U.S. Dollars and Fourteen U.S. Cents (USD 199,824,908.14), assuming issuance of all the authorized shares at the current NAVps.

The net proceeds from the sale of the shares shall be invested and reinvested mainly in a portfolio of foreign equity securities and offshore-domiciled funds invested in foreign equities. The Custodian shall hold all proceeds from the sale of shares, including the additional paid in capital. The Fund's Investment Manager shall be guided by the Fund's investment policies and legal limitations on investment. In particular, the Fund shall not invest more than ten percent (10%) of its Net Asset Value in any single enterprise. For purposes of liquidity at least ten percent (10%) of the Fund's assets shall be invested in liquid/semi-liquid assets.

The Fund shall invest approximately: fifty percent to ninety percent (50%-90%) of its portfolio in high-quality offshore-domiciled funds invested in high-quality equity securities listed in other countries; zero to fifty percent (0%-50%) of its portfolio in individual high-quality equity securities listed in other countries; and zero to ten percent (0%-10%) of its portfolio in individual high-quality equity securities listed on the Philippine Stock Exchange. The Fund intends to focus its investing activities largely on shares of stock of Asian companies and/or offshore funds invested largely in shares of stock of Asian companies; however, it shall retain the flexibility to take advantage of opportunities outside Asia from time to time.

No material amount of the net proceeds is to be used to acquire assets or finance the acquisition of other businesses. The net proceeds will not be used to discharge debt or reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, monies loaned or advanced or otherwise.

THE BOARD OF DIRECTORS AND OFFICERS

The Fund's incorporators were the following:

Name	Age	Citizenship	Position	Period of Service
Atty. Rhoneil S. Fajardo	42	Filipino	Board Chairman	31 January 2008 until 25 September 2009
Mr. Aurelio Noel G. Dayrit	39	Filipino	Director and President	31 January 2008 until 25 September 2009
Atty. Angel M. Salita, Jr.	48	Filipino	Director and Corp. Secretary	31 January 2008 until 25 September 2009
Dr. Herminio B. Coloma, Jr.	56	Filipino	Independent Director	31 January 2008 until 2010 Annual Shareholders' Meeting
Mr. Edgardo M. Cruz, Jr.	54	Filipino	Independent Director	31 January 2008 until 27 January 2010

The following are the Fund's incumbent directors and officers:

Name	Age	Citizenship	Position	Period of Service
Mr. Eulogio A. Mendoza	61	Filipino	Board Chairman and President	25 September 2009 until 2010 Annual Shareholders' Meeting
Ms. Modesta P. Mammoad	58	Filipino	Director and Treasurer	25 September 2009 until 2010 Annual Shareholders' Meeting
Mr. Gerald D. Baldivia	44	Filipino	Director	25 September 2009 until 2010 Annual Shareholders' Meeting
Dr. Herminio B. Coloma, Jr.	56	Filipino	Independent Director	31 January 2008 until 2010 Annual Shareholders' Meeting
Ms. Ethylyn Reyes	42	Filipino	Independent Director	8 March 2010 until 2010 Annual Shareholders' Meeting
Atty. Ma. Alicia G. Picazo-San Juan	38	Filipino	Corporate Secretary	25 September 2009 until 2010 Annual Shareholders' Meeting
Atty. Lyne L. Arnaldo-Vega	32	Filipino	Assistant Corporate Secretary	25 September 2009 until 2010 Annual Shareholders' Meeting

Eulogio A. Mendoza, 61, Filipino, is the Chairman of the Board and President of the Fund, and also Chairman of the Funds' Board's Appointment and Compensation and Remuneration Committees. He is concurrently a Board Director of AAMI (since 2005). Since 2003 he has been President and Chief Executive Officer of AsianLife and General Assurance Corporation ("ALGA"), and is also a member of ALGA's Board of Directors. He is Co Vice-Chairman of AsianLife Financial Assurance Corporation ("ALFA"), a majority-owned subsidiary of ALGA. He is also Chairman of the Board and President of ATR KimEng Equity Opportunity Fund, Inc. (2004 to present) ATR KimEng Money Market Fund, Inc. (2005 to present), and ATR KimEng Total Return Bond Fund, Inc. (2009 to present). Since 2003 he has been a member of the Board of Directors of the Philippine Life Insurance Association ("PLIA"), the country's life insurance industry association, and was PLIA President in 1994-1996. Previously, he was a member of the Boards of Directors of various units of American International Group ("AIG") such as PhilamCare Health Systems, Inc. (1989-1992) and Philam Plans, Inc., and of the Board of Directors of The Pan Philippine Life Insurance Corp. (now Philippine Axa Life) (1992-1998). His prior work experience in the insurance industry includes his having been Vice-President at Philippine American Life Insurance Company, Inc. (also an AIG company) (1988-1992), President and Chief Executive Officer of the Pan Philippine Life Insurance Company (1992-1998), and then President and Chief Executive Officer of GE Life Insurance Company (1998-2001) (now ALGA). He earned the title Fellow, Life Management Institute (FLMI) from the Life Office Management Administration (LOMA). He obtained his MBA from the Ateneo Graduate School of Business and both his Master of Arts in Philosophy (*cum laude*) and Bachelor of Science in Philosophy (*cum laude*) from the University of Santo Tomas.

Modesta P. Mammoad, 58, Filipino, serves as a Director of the Fund, as Chairman of the Fund's Board's Audit Committee, and as Treasurer for the Fund. She is also a Director and the Treasurer of ATR KimEng Total Return Bond Fund, Inc. (since 2009) and ATR KimEng Money Market Fund, Inc. (since 2005), and the Treasurer of ATR KimEng Equity Opportunity Fund, Inc. (since 2005). She is concurrently a member of the Boards of Directors of ALGA (since 1998) and ALFA (since 1997), and also serves as Executive Vice-President, Chief Financial Officer and Treasurer of both ALGA and ALFA. She has over 20 years experience in financial management and operations. She has handled several positions within the GE affiliates (GE Philippines, GE Lighting in the Philippines and Indonesia, and then GE Life Insurance Company) (1974-1995) and served as a member of the Finance Council of GE Companies in the Philippines. She is a Certified Public Accountant. She obtained her MBA for Middle Managers from the Ateneo Graduate School of Business and Bachelor of Science in Commerce (*magna cum laude*) from Angeles University.

Gerald D. Baldivia, 44, Filipino, serves as a Director of the Fund, as a member of the Fund's Board's Audit, Appointment, and Compensation and Remuneration Committees. He has held the same positions in ATR KimEng Total Return Bond Fund, Inc. since 2009. He has been a Director of ATR KimEng Equity Opportunity Fund, Inc. since January 2010. He has been an Executive Director at AAMI since 2007, and is a member of its Investment Committee. From 2002 to 2006, he was an Investment Officer for the International Finance Corp. (a member of the World Bank Group), covering the Philippines, Thailand and Viet Nam. From 2000 to 2002, he was an Associate of the Research Department of SG Securities (Philippines), Inc., a unit of Société Générale. Earlier, he held various positions in ATR KimEng Securities, Inc., Peregrine Securities Philippines, Inc., the Trade and Political Risk Division of AIG (during which time he was based in New York City), and Far East Bank and Trust Company. He is a Certified Investment Solicitor. He obtained an MBA in Finance and

Marketing from the Columbia Business School in New York, USA and a Bachelor of Science in Business Administration (*cum laude*) from the University of the Philippines.

Herminio B. Coloma, Jr., 56, Filipino, is an Independent Director of the Fund. He is the Don Jose Cojuangco Professor of Business Management at the Asian Institute of Management (AIM). He had served as Dean of AIM's Executive Education and Lifelong Learning Center (2000-2004) and Associate Dean of the Master in Business Management program (1994-1996). He served as Director (1996-2008) and as President of the Air and Travel Division (2006-2008) and Group Chief Learning Officer (2004-2008) at the Transnational Diversified Group. He is also a Director of Loyola Consolidated Plans, Inc (2005-present). He served in the Philippine government during the administration of President Corazon Aquino as Head, Presidential Management Staff (1990-1991) and Deputy Executive Secretary in the Office of the President (1990-1991), as Undersecretary, Department of Transportation and Communications (DOTC, 1989-1990), and as Undersecretary, Department of Agrarian Reform (1989). He also served in the administration of President Joseph Estrada as Undersecretary at DOTC (1998-2000), where he supervised the maritime industry sector and headed the Philippine delegation to the biennial meetings of the International Maritime Organization in London, United Kingdom (1996-2000). He is currently a Director of the Financial Executives Institute of the Philippines (FINEX) and has been President of the People Management Association of the Philippines (PMAP). He is an Independent Director for ATR KimEng Total Return Bond Fund, Inc. (since 2008). He has done consulting work for both public and private entities. He holds a Doctor in Philosophy degree from the Southeast Asian Inter-Disciplinary Development Institute (SAIDI) School of Organization Development and a Master in Business Management degree (With Distinction) from AIM.

Ethelyn Reyes, 42, Filipino, is an Independent Director of the Fund. She has over 20 years of investment industry experience in the Asian region. From 2004 to 2009, she was an Investment Manager at Lombard Odier Investment Management (Hong Kong), managing first the LODH Korea-ASEAN Fund and then the LODHI Pacific Rim Fund. Under her management, both funds were awarded "2nd Best Fund" by the European fund ranking agency EuroPerformance, and assets under management doubled to over USD 500 million. Previously, she was a portfolio manager at SEB Investment Management and at Friends Ivory & Sime Investment Management. Prior to managing investment funds, she was Head of Research with BZW Securities (Hong Kong), where she was ranked "Best Analyst" by *Asiamoney* Magazine in 1991. She has been an Independent Director of ATR KimEng Total Return Bond Fund, Inc. since 2010. She has a Bachelor of Science in Economics (*magna cum laude*) from the University of the Philippines, and is a candidate for a Master's in Economics at the University of Hong Kong.

Ma. Alicia G. Picazo-San Juan, 38, Filipino, is the Corporate Secretary of the Fund. She is a Partner at Picazo Buyco Fider Tan & Santos Law Office. She obtained her Bachelor of Laws (*cum laude*) from the University of the Philippines and a B.S. Management, major in Legal Management (*magna cum laude*), from the Ateneo de Manila University. She also serves as the Corporate Secretary for ATR KimEng Total Return Bond Fund, Inc. She is a member of the University of the Philippines Women Lawyers' Circle and the Financial Executives Institute of the Philippines (FINEX).

Lyne L. Arnaldo-Vega, 32, Filipino, is the Assistant Corporate Secretary of the Fund. She is an Associate at Picazo Buyco Fider Tan & Santos Law Office. She also serves as the Assistant Corporate Secretary for ATR KimEng Total Return Bond Fund, Inc. Prior to her legal career, she was connected with Software Ventures International as a Systems Analyst and Programmer. She obtained her Bachelor of Laws from the University of the Philippines and Bachelor of Science in Business Administration (*cum laude*) also from the University of the Philippines.

Manuel I. Briones, 57, Filipino, has been the Compliance Officer for the Fund since January 2010. He is concurrently the Compliance Officer for AAMI and for ATR KimEng Total Return Bond Fund, Inc. He joined AAMI as Head of Operations in 1997 and became Executive Director for Operations in 2004. He was appointed Compliance Officer of AAMI in May 2009 and, as a result of this appointment, was required to relinquish his duties as Executive Officer for Operations and his Certified Investment Solicitor License. Earlier in his career, he worked for Citicorp Investment Philippines, where he held various positions, the last of which was Assistant Manager in the Credit Administration Department (1975-1985). He was later seconded to Citytrust Banking Corp. (1985-1992) as a result of Citibank NA's formation of a universal bank via merger of three of its local units (FNCB Finance, Citicorp and FEATI Bank). At Citytrust, he headed the Pre-Processing/Documentation Unit and the Accounting Unit of the Trust Banking Group, and was concurrently appointed Assistant Manager of Citytrust Securities Corp., a stock brokerage which he helped organize. He later moved to Asiastrust Development Bank as Trust Officer (1992-1995), and then to Insular Life Savings and

Trust Company as Trust Operations Head (1995-1997). He was named one of the Ten Most Outstanding Employees of Makati by the Rotary Club of Makati in 1979. He holds an SEC license for Compliance Officers. He obtained his Bachelor of Commercial Science, major in Management, from Jose Rizal University.

Other than the directors and officers listed above, there are no other persons expected by the Fund to make a significant contribution to its business. The Fund's business is not highly dependent on the services of certain key personnel.

None of the directors and officers are related to each other up to the fourth civil degree, whether by consanguinity or by affinity.

The Fund does not anticipate having any employees within the next twelve (12) months, other than the corporate officers disclosed herein.

Security Ownership of Certain Record and Beneficial Owners

The following are the record and beneficial owners of the Fund's shares (as redenominated) as of the date of this Prospectus:

Title of Class	Name & Address of Record Owner & Relationship with the Fund	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares *	Percent of Class
Common	ATR KimEng Capital Partners, Inc., stockholder	The record owner is the same as the beneficial owner	Filipino	21,814.57	99.99%

** Prior to the Redenomination Date, ATR KimEng Capital Partners, Inc. held 920,895.11 shares.*

The shares held by ATR KimEng Capital Partners, Inc. ("ATRKE Capital") will be represented and voted during the Fund's annual stockholders' meeting by any of the Fund's incumbent directors as ATRKE Capital may authorize under a proxy to be executed by ATRKE Capital. The shares owned of record by the incumbent directors of the Fund (other than the Independent Directors) are likewise beneficially owned by ATRKE Capital.

Security Ownership of Management

The following are the beneficial owners of the security ownership of management as of the date of this Prospectus:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership *	Percent of Class
Common	ATR KimEng Capital Partners, Inc.	3 shares	nil

** Prior to the Redenomination Date, ATRKE Capital also beneficially owned 3 shares recorded in the names of the three non-independent board directors.*

The individual directors and officers of the Fund do not have any beneficial ownership, or any right to acquire beneficial ownership, over the shares of the Fund, as of the date of this Prospectus. There are no voting trusts or similar agreements involving the shares of the Fund.

There are no arrangements currently existing which may result in a change in control of the Fund.

Compensation of Directors

The Fund pays its Directors a per diem of PHP 5,000 per Board Meeting. The Fund did not make any per diem payments to its Directors in 2008. The Fund paid its Directors aggregate per diem of PHP 30,000.00 in 2009 and PHP 20,000.00 during 2010 to date. It is expected that the Fund will pay Directors' per diems approximately totaling PHP 95,000.00 for the year 2010.

The members of the Board who are not officers and/or employees of the Fund will receive remuneration for their attendance in regular or special meetings of the Board of Directors at such rate as the Board may prescribe

for every meeting of the Board of Directors at which he or she is present. Such remuneration may be adjusted in the future as may be warranted by existing fund levels and other factors.

There are no other arrangements, including consulting contracts, pursuant to which any director of the Fund is to be compensated, directly or indirectly, during the ensuing year for any service provided by a director.

There are no employment contracts between the Fund and the executive officers.

Under the Corporation Code of the Philippines, shareholders of the Fund representing at least a majority of the Fund's outstanding capital stock may grant directors compensation other than per diems, which shall in no case exceed ten percent (10%) of the net income before tax of the Fund during the preceding year.

Involvement in Certain Legal Proceedings

No director, nominee for election as a director, executive officer, distributor or control person of the Fund has been involved in the last five (5) years in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time, subject to any conviction by final judgment in past or pending criminal proceedings, domestic or foreign, excluding traffic violations and any other minor offenses, or to any order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities and found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body or a domestic or foreign exchange or other organized trading market or self regulatory organization to have violated a securities or commodities law or regulation.

Certain Relationships and Related Transactions

There is no proposed transaction to which the Fund is to be a party, in which any of the following persons is to have a direct or indirect material interest:

- (a) Any director or executive officer of the Fund;
- (b) Any nominee for election as a director;
- (c) Any security holder named under the heading "Security Ownership of Certain Record and Beneficial Owners";
- (d) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the persons in item (a), (b), or (c) above.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion of the Fund's performance for the first nine months of 2009 and for 2008 is authored by the previous Investment Manager and pertains to a different investment objective.

Performance: The First Nine Months of 2009

Summary of Portfolio Performance – First 9 Months of 2009 (ended September 30th)						
Period	PSEi Closing *	Closing NAVps (PHP)	Period-End Total Assets (PHP)	Subscriptions (PHP)	Redemptions (PHP)	Period-End Total Investors
9M09	2,800.82	1.0880	1,151,932	1,442,745	85,397,635	6

* PSEi is the Philippine Stock Exchange Index.

As of September 30, 2009, the Fund's total assets declined to PHP 1.15 million, a decrease of 98.45% or PHP 72.93 million from PHP 74.08 million as of December 31, 2008. The decrease primarily resulted from the withdrawal of the group of Kidson Pte. Ltd. ("Kidson"), which was previously the largest shareholder of the Fund.

Significant changes (more than 5%) in asset accounts are as follows:

- Securities valued at Fair Value through Profit or Loss (“FVPL”) (designated at initial recognition) decreased by 100.00% from PHP 16.82 million as of December 31, 2008 to nil as of September 30, 2009 due sale of the entire securities portfolio to fund the redemption of Kidson.
- Cash & Cash Equivalents decreased by 97.98% or PHP 55.94 million from December 31, 2008 balance to PHP 1.15 million as of September 30, 2009. The decrease was brought about by decrease in investments in short-term deposits to fund the withdrawals of original shareholders.
- Accrued Interest Receivables as of September 30, 2009 decreased by 99.92% or PHP 0.16 million from PHP 0.16 million as of December 31, 2008.

The Fund’s total liabilities as of September 30, 2009 decreased by 47.76% or PHP 0.14 million from PHP 0.29 million as of December 31, 2008. The decrease was due to lower withholding tax payable for the accrued interest for the sold investments.

The Fund’s shareholders’ equity or Net Asset Value stood at PHP 1.00 million as of September 30, 2009 compared to PHP 73.79 million as of December 31, 2008. The 98.64% decrease was due to the withdrawal of Kidson’s investments.

The net income of the Fund for the period ended September 30, 2009 was PHP 11.19 million. This was 82.50% of the Gross Investment Income or Loss (“GIIL”) for the year. There was a net loss of PHP 9.20 million for the year ended December 31, 2008 which was 116.59% of the GIIL for that year. The loss last year was due to a poor capital/financial market.

Major changes in nominal accounts are as follows:

- Interest recorded for the third quarter ended September 30, 2009 was PHP 0.99 million (7.28% of GIIL) compared to PHP 1.67 million (-21.10% of GIIL) for the year ended December 31, 2008.
- For the quarter ended September 30, 2009, trading and investment securities registered a total realized gains of PHP 11.47 million (84.51% of GIIL) due to higher trading gains for the sold securities to fund the large withdrawal of group of shareholders.
- Total operating expenses was up at PHP 2.18 million (16.10% of GIIL) for the third quarter ended September 30, 2009 and PHP 0.98 million (-12.36% of GIIL) for the year ended December 31, 2008.

The Fund increased its exposure to cyclical counters during the past two quarters. It likewise accumulated select utilities as it reduced its exposure to telecom counters Philippine Long Distance Telephone Company and Globe Telecom, Inc.

The Fund has identified the following Key Performance Indicators affecting its current operations:

- Assets under management decreased to 98.64% for the third quarter from PHP 73.79 million in December 2008 to PHP 1.00 million in September 2009. This was mainly due to withdrawal of investments by the largest shareholder of the Fund, although the Fund posted positive operating results for the third quarter of 2009.
- Return on Investment for the first nine months of 2009 was positive 22.32% compared to -11.06% recorded for the year ended December 31, 2008.
- Thanks to unrealized gains on financial instruments, realized gains on disposal of investments, and income from interest and dividends, the Fund’s Return on Equity (ROE) was 29.93% for the first nine months 2009. The ROE for December 31, 2008 was -14.86% mainly because of the gains on sale financial assets at FVPL in order to fund the redemption of Kidson.
- Similarly, Return on Assets (ROA) was 29.93% for the first nine months of 2009, versus -14.83% for 2008.

- Current ratio was 7.68x as of September 30, 2009 against 199.40x as of December 31, 2008. The Fund has sufficient resources to meet obligations.

The Fund did not declare any dividends (whether cash dividends or stock dividends) or any stock splits during the first nine months of 2009.

The Management's Discussion and Analysis section of the Fund's Amended SEC Form 17-Q A filed for the quarter ended September 30, 2009 made the following additional statements:

- There were no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Fund's liquidity increasing or decreasing in any material way.
- The Fund does not have and does not anticipate within the next twelve (12) months any cash flow or liquidity problems.
- The Fund is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.
- The Fund does not have any significant amount of trade payables, which have not been paid within the stated trade terms.
- The Fund is not aware of any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- There are currently no material commitments for capital expenditures.
- There are no significant elements of income or loss that did not arise from the Fund's operations.

For additional details, please refer to the Fund's Amended SEC Form 17-Q A filed for the quarter ended September 30, 2009. Copies are available from the Investment Manager / Principal Distributor and from the SEC.

Performance: 2008

Summary of Portfolio Performance – Last 11 months of 2008 (ended December 31st) *						
Period	PSEi Closing †	Closing NAVps (PHP)	Period-End Total Assets (PHP)	Subscriptions (PHP)	Redemptions (PHP)	Period-End Total Investors
2008	1,8272.85	0.8894	74,081,606	82,826,000	0	15

* The Fund was incorporated on January 31, 2008.

† PSEi is the Philippine Stock Exchange Index.

Financial contagion and concerns over global recession caused stock markets to tumble in 2008. The MSCI Global Equity Index fell 41.8% while the US S&P500 Index produced the worst performance in 70 years. The local market was unable to buck the trend as the Philippine Stock Exchange Index (PSEi) plunged 48.3% during the year. Financial institutions, property counters, and leveraged firms were the worst performers.

Lopez-owned First Generation Corporation (-83.5%), First Philippine Holdings Corporation (-79.0%), and Energy Development Corporation (-70.1%) were sold from the portfolio due to refinancing risk amidst tight credit markets. Property counters Vista Land and Lifescapes, Inc. (-83.0%), Megaworld Corporation (-82.4%), Filinvest Land, Inc. (-71.3%), and Robinsons Land Corporation (-70.3%) likewise suffered after property markets collapsed and the sustainability of OFW remittances was put into question. Share prices of banking issues Banco de Oro Universal Bank (-60.3%), Rizal Commercial Banking Corporation (-59.2%), and

Metropolitan Bank and Trust Company (-57.8%) also plummeted due to their exposures to the fallen Lehman Brothers.

On the other hand, the top performers were defensive sectors such as utilities, telecommunications, and consumer stocks. Petron Corporation, Aboitiz Equity Ventures, Inc., Jollibee Foods Corporation, SM Prime Holdings, Inc., and Manila Electric Company fell less than 30% during the year.

Valuations fell to their lowest since the mid-1990s with the market's price-to-earnings ratio (P/E Ratio) falling to single-digit levels. Bargain hunters, however, were apathetic, as the country anticipated macroeconomic headwinds for 2009. Moreover, investors were averse to small markets, exerting further pressure on illiquid trading conditions. Daily turnover thinned to USD 30 million daily in December, roughly half the average turnover during the year. Foreign investors were net sellers (USD 165 million), while locals were unwilling to place aggressive bets for the time being.

As of December 31, 2008, the Fund had outstanding investments in equity securities with a market value of PHP 16,823,950, which was net of unrealized losses of PHP 5,161,308 on marking such investments to market.

Cash and cash equivalents, consisting of cash in banks and short-term deposits with maturity dates of less than one month, amounted to PHP 92,812 and PHP 57 million, respectively, on the same date.

In terms of liabilities, the Fund recognized PHP 254,976 and PHP 32,171 in fees payable and other payables as of the end of 2008. Due to the short-term nature of these liabilities, the carrying values reasonably approximated fair values as at year-end.

The Fund recognized a loss before income tax of PHP 8,865,415 on account of market losses posted by the equity investments.

The Fund did not declare any dividends (whether cash dividends or stock dividends) or any stock splits during the year ended December 31, 2008, nor did it declare any dividends or splits prior to 2008 as the Fund was incorporated during 2008.

As of December 31, 2008, the Fund's shareholders' equity or Net Asset Value amounted to PHP 73.79 million, composed of: (1) PHP 829,673 worth of capital stock (valued at the PHP 0.01 per share par value); (2) additional paid-in capital of PHP 82.16 million; and (3) a retained deficit account of PHP 9.20 million.

In letters dated December 3, 2009 and January 7, 2010, the SEC's Corporate Finance Department ("CFD") relayed requests by the SEC's Office of the General Accountant ("OGA") for the Fund to provide further details on certain issues concerning the Fund's SEC Form 17-A filed for the year ended December 31, 2008. In response, the Fund has filed an Amended SEC Form 17-A (A) for the year ended December 31, 2008. Said filing's Management's Discussion and Analysis section made the following additional statements:

- There were no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Fund's liquidity increasing or decreasing in any material way.
- The Fund does not have and does not anticipate within the next twelve (12) months any cash flow or liquidity problems.
- The Fund is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.
- The Fund does not have any significant amount of trade payables, which have not been paid within the stated trade terms.
- The Fund is not aware of any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

- There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- There are currently no material commitments for capital expenditures.
- There are no significant elements of income or loss that did not arise from the Fund's operations.

For additional details, please refer to the Fund's Amended SEC Form 17-A (A) filed for the year ended December 31, 2008. Copies are available from the Investment Manager / Principal Distributor and from the SEC.

Also at OGA's request, the Fund's Independent External Auditor provides hereunder additional comments for the year ended December 31, 2008 about financial risk management (item 3 in the CFD-OGA letters), key estimates and assumptions (item 5), capital management (item 6), and cross referencing (item 7):

3. Discussion on Financial Risk Management

Liquidity Risk

Liquidity risk is the risk that an equity investment does not have enough free float to allow investors to sell the stock in a given trading day. Consequently, the stock may have to be disposed at a substantial loss. The Company is envisioned to service redemptions by paying out from available cash or near-cash assets, within seven (7) business days from receipt of Notice of Redemption. When redemption amounts exceed available liquid holdings, the Company will have to sell investments/securities, and during periods of extreme market volatility, the Company may have liquidity problems.

Management of Liquidity Risk

To mitigate the risk, the Company would invest in high-quality equity securities listed on the Philippine Stock Exchange. The Investment Manager is responsible for the management of liquidity risk. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out positions. Due to the dynamic nature of the business, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Trust Committee. A summary report, including any exceptions and remedial action taken, is submitted regularly to the Trust Committee.

Exposure to Liquidity Risk

The table below summarizes the maturity profile of the Company's assets and liabilities as of December 31, 2008:

Assets:		
Cash and cash equivalents	PHP	57,092,812
Available-for-sale securities		16,823,950
Other assets		164,844
<hr/> Total assets	PHP	<hr/> 74,081,606
Liabilities:		
Fees payable to fund manager	PHP	254,976
Other liabilities		32,171
<hr/> Total liabilities		<hr/> 287,147
Net assets	PHP	73,794,459

Market Risk

Market risk refers to the volatility of stock prices in the equity market. The Company is exposed to stock price risk because of various investments held. Since the value of these assets are sensitive to general market movements, inflation, interest rate changes, and general economic expansion or contraction, risk management activities are aimed at optimizing income, managing duration, and portfolio diversification across tenors and sectors.

Management of Market Risks

To manage the price risk, the Company evaluates the fundamentals that affect security price. The Company follows prudent policies in managing its assets and liabilities. A combination of risk sensitivities, value-at-risk, stress testing, and economic capital metrics is used to manage market risks and establish limits. Economic capital is the metric used to describe and aggregate market risks.

5. Discussion on Key Estimates and Assumptions

The following are the critical judgments and key estimates and assumptions that will have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year and/or in future periods:

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as AFS debt and equity securities) is based on quoted market prices at the reporting date.

Impairment of AFS Securities

The Company determines that AFS debt and equity securities are impaired when there has been a significant or prolonged decline in the market price below its cost. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

6. Capital Management

As discussed in Note 7 – Related Party Transactions, the Company's capital assets are managed and operated by Deutsche Bank AG Manila Branch – Trust Department,³ under an Investment Management Agreement which provides investment portfolio, distribution and administration services to the Company. The Company's capital assets are invested in a portfolio of low-risk listed equity securities of Philippine companies. The investment is designed to seek absolute return through long-term capital appreciation. The Company follows the investment limitations as mandated by ICA Rule 35-1, The Investment Company Rule which took effect on May 12, 1998.

7. Cross Referencing

Interest income should have been cross-referenced to Notes 3, 7 and 8 while unrealized loss on valuation of assets at FVPL and realized loss on sale of FVPL should have been cross-referenced to Notes 3 and 6.

Overall Market Conditions

The financial crisis of 2008 will be remembered for the institutions that went through challenging times, extreme volatility in capital markets, and the uncertainty introduced for the immediate future. Emerging market bonds declined by 12.2%, global equity markets plunged by 41.8%, and commodities slumped by 46.5%.

³ Deutsche Bank AG Manila Branch was the Fund's previous Investment Manager. AAMI is the incumbent Investment Manager.

The Philippine bond market likewise saw bid-offer margins widen on account of higher oil prices, creeping inflation, and rising risk aversion. At the end of 2008, the domestic bond market rallied on expectations of lower inflation and the initial 50-bp rate cut of the Bangko Sentral ng Pilipinas (“BSP”).

In contrast, local stocks fared negatively, as the benchmark Philippine Stock Exchange Index (“PSEi”) plunged 48.3% during the year. Financial institutions, property counters, and leveraged firms were the worst performers, as foreign investors headed for the exits on fears that the global financial crisis would prompt a global recession.

The Fund mitigated its market risk by trimming its equity exposure, particularly to cyclical stocks. By the end of 2008, the Fund outperformed the local market by falling less steeply.

Material Trends, Events, and Uncertainties

The Peso bond market is viewed positively in the first half of 2009. Lower inflation rates coupled with further monetary easing could support lower yields in the near-term. Headline inflation is likely headed towards 4%-5% by midyear. The BSP likewise is expected to continue cutting its overnight rates as inflation eases and economic expansion slows.

In contrast, equity markets are likely to remain volatile in the near-term. Investors should expect wide swings on account of headwinds on the macroeconomic and earnings front. Cyclical stocks could bounce back after falling by as much as 70%-80% in 2008. The PSEi could rise to the level of 2,400 over 12 months, assuming a successful US economic recovery by the latter half of 2009. In the near-term, we could expect further downside as the financial storm hits the Asia-Pacific region.

To mitigate market risk, the Fund would remain cautious, especially in 1H09. The Fund would manage its equity exposure to 60%, and would prefer defensive stocks such as Philippine Long Distance Telephone (TEL), Globe Telecom, Inc. (GLO), Manila Water Corp. (MWC), Aboitiz Power Corp. (AP), and SM Prime Holdings, Inc. (SMPH). The Fund would slowly accumulate cyclical stocks as forward-looking indicators in the U.S. the Euro area improve. Badly battered property stocks Ayala Land, Inc. (ALI), Megaworld Corp. (MEG), Robinsons Land Corp. (RLC), and Filinvest Land, Inc. (FLI) would be considered candidates for such gradual accumulation. Meanwhile, highly-leveraged firms owned by the Lopez family, namely Energy Development Corp. (EDC), First Gen Corp. (FGEN) and First Philippine Holdings Corp. (FPH), could be of interest as financing risk issues hopefully clear up by the middle of 2009.

Related Party Transactions

In 2008, the Fund had an Investment Management Agreement with Deutsche Bank AG Manila Branch – Trust Management for the management and administration of the Fund’s assets, in exchange for a management fee and the reimbursement of pertinent expenses. The Fund also had a Transfer Agent Agreement and a Master Company Accounting Services Agreement with Deutsche Bank AG Manila Branch Regular Banking Unit (Domestic Custody Services) for the maintenance of records of individual investors and the provision of accounting and custody support services (including the calculation of the Daily NAVps), in exchange for certain fees and the reimbursement of pertinent expenses. For the year 2008, the Fund was billed by the abovementioned related parties aggregate fees of PHP 566,080, of which PHP 254,976 remained unpaid at the end of the year.

In 2008, the Fund maintained bank deposit accounts and short-term placements with Deutsche Bank AG – Manila Branch amounting to PHP 57.09 million. In addition, the Fund recognized PHP 160,854 worth of accrued income on these deposits and placements at year-end.

CORPORATE GOVERNANCE

The Fund’s Manual of Corporate Governance (the “Manual”) was filed with the SEC on July 25, 2008, and has been in effect since February 17, 2009.

Evaluation system to determine the level of compliance with the Manual of Corporate Governance

The Compliance Officer monitors and determines the Fund's level of compliance with the Manual of Corporate Governance. Among his functions is to issue a certification every 30th of January of the year on the extent of the Fund's compliance for the completed year and explaining the reason/s of the Fund's deviation thereto, if any. The Compliance Officer refers to the Compliance Form and previous certifications to compare what has been done in the past and any improvements thereon, if any, done within the year.

Measures being undertaken to fully comply with adopted leading practice on good governance

Compliance Officer

The Fund considers its Manual to be in line with the leading practices on good corporate governance. In line with this and in order to ensure adherence to corporate principles and best practices, Mr. Manuel I. Briones was designated as the Fund's Compliance Officer from the current year, 2010. Mr. Briones directly reports to the Chairman of the Board and his duties include the following:

1. Monitor compliance with the provisions and requirements of the Manual;
2. Appear before the SEC upon summon on similar matters that need to be clarified by the same;
3. Determine violation/s of the Manual and recommend penalties for violation thereof for further review and approval of the Board;
4. Issue a certification every January 30th of the year on the extent of the Fund's compliance with the Manual for the completed year, explaining the reason/s of the latter's deviation from the same if any; and
5. Identify, monitor and control compliance risks.

The Fund has two Board seats for its independent directors and has put in place Audit, Nominations, Compensation and Remuneration Committees as described in the Manual.

Nomination Committee

The Nomination Committee, composed of at least three members (one of whom is an independent director) pre-screens and shortlists all candidates nominated to become a member of the Board to ensure that each board election shall result in a mix of proficient directors, each of whom is able to add value and bring prudent judgment to the Board.

Compensation Committee

The Compensation Committee is composed of at least three members, one of whom is an independent director. Among the important functions of the Compensation Committee are as follows:

1. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Fund's culture, strategy and control environment;
2. Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully; and
3. Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Audit Committee

The Audit Committee is composed of at least three members of the Board, one of whom is an independent director. Each member shall have adequate understanding or competence of the Fund's financial management systems and environment. Among the important functions of the Audit Committee are as follows:

1. Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements;
2. Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Fund, and crisis management; and
3. Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company through a step-by-step procedures and policies handbook that will be used by the entire organization.

Deviations from the Fund's Manual of Corporate Governance

The Fund has substantially complied with and has not made any deviations from the provisions of its Manual, except that one of the Fund's Directors, Mr. Edgardo Mr. Cruz, Jr. resigned from his position as independent director on 27 January 2010, and no replacement was elected until 8 March 2010, when Ms. Ethylyn Reyes was elected as independent director.

Plans to improve the Fund's corporate governance

The Fund is presently in the process of revising its Manual to adopt the stricter provisions of the Revised Code of Corporate Governance, which became effective on July 15, 2009.

INVESTMENT OBJECTIVE, POLICY AND LEGAL LIMITATIONS

Investment Objective

The Fund is a mutual fund invested in selected stocks and selected offshore-domiciled portfolios of stocks, actively managed for maximum value performance, and designed for those who desire high growth with moderate to high risk.

The Fund is designed to provide returns consisting of dividend income and capital growth mainly through investment in a diversified portfolio of listed international equity securities and offshore-domiciled funds invested in foreign equities. 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.

Investment Policy

The Fund will invest in a combination of stocks with large, medium, and small capitalization that can provide good value and capital appreciation over the medium term. Earnings growth potential, attractive valuation, quality of management team, corporate governance, and transparency would be the primary criteria for stock selection. The Fund will also invest in offshore-domiciled funds invested in foreign equities, primarily those invested in publicly-listed Asian equities. The selection of offshore-domiciled funds will be largely driven by each offshore-domiciled fund's historical risk-adjusted return performance, organizational capabilities, forward looking strategies, and investment themes. Changes in macroeconomic conditions can dictate the choice of international equities and offshore-domiciled funds that the Fund will invest in. Temporary shifts to cash or fixed-income securities may be done as a defensive move. The Fund may also have deposits with reputable foreign banks and top-tier local banks.

The Fund may use various techniques to hedge investment risks, and may invest in offshore-domiciled funds which use various techniques to hedge investment risks.

Legal Limitations on Investment

1. The Fund will invest its assets in a variety of industries. It shall not invest more than ten percent (10%) of its Net Asset Value in any single enterprise or offshore-domiciled fund except obligations of the Philippine Government and its instrumentalities. Neither shall the total investment of the Fund exceed ten percent (10%) of the outstanding securities of any one investee company.
2. An investment company shall not change its investment objective without prior approval of its majority shareholders.
3. Until the SEC provides otherwise, the Fund shall not short-sell securities or invest in any of the following:
 - a. margin purchases of securities (investment in partly paid shares are excluded);
 - b. commodity futures contracts;
 - c. precious metals; and
 - d. unlimited liability investments.
4. The Fund shall not invest in real estate properties and developments unless allowed under applicable laws, if any.
5. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its Investment Manager or distributors or firms of which any of them are members, any security other than the Fund's own capital stock.
6. The Fund shall not participate in any underwriting or selling group in connection with the public distribution of securities except its own capital stock.
7. The total operational expenses of the Fund shall not exceed ten percent (10%) of its total investment fund or total net worth as shown in the Fund's most recent audited financial statements.
8. For investors purchasing shares of the Fund, the minimum investment shall be an amount of not less than Two Thousand U.S. Dollars (USD 2,000) as determined from time to time by the Fund. The subsequent investment shall be at least Five Hundred U.S. Dollars (USD 500) and shall be in multiples of Five Hundred U.S. Dollars (USD 500). Investment in the Fund shall be on cash basis only; installment sales are expressly prohibited.
9. The Fund shall not issue senior securities.
10. For liquidity purposes, unless otherwise prescribed by the SEC, in case of open-end companies, at least ten percent (10%) of its fund shall be invested in liquid/semi-liquid assets, such as:
 - a. treasury notes or bills, BSP Certificates of Indebtedness which are short-term, and other government securities or bonds and such other evidences of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines;
 - b. savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposits account be accepted or allowed under a "bearer", "numbered" account or other similar arrangement.
11. The Fund shall not incur any further debt or borrowings unless at the time of its occurrence or immediately thereafter, there is an asset coverage of at least 300% for all its borrowings. In the event that such asset coverage shall fall below 300%, the Fund shall, within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least 300%.
12. The SEC allows mutual fund companies to invest up to 100% of its net assets in foreign securities subject to safety nets and standards set in SEC Memorandum Circular No. 7, series of 2005 and SEC Memorandum Circular No. 10 series of 2006 on "Guidelines on the Evaluation of Foreign Investments by Mutual Fund Companies". In addition, the Fund will comply with SEC guidelines for selecting offshore-domiciled funds.

PLAN OF DISTRIBUTION

ATR KimEng Asset Management, Inc. (“AAMI”) serves as Principal Distributor of the Shares of the Fund in accordance with a Principal Distributorship Agreement. The Shares of the Fund will be offered continuously for sale by the Principal Distributor and other eligible sales agents and securities dealers that have signed a Distribution Agreement, either directly with the Fund or with the Principal Distributor.

The Annual Distribution Fee to be charged by the Principal Distributor and/or eligible sales agents or securities dealers to the investor will amount to not more than three percent per annum (3% p.a.), based on outstanding assets under management. These fees are meant to compensate for expenses associated with the distribution of shares. Said expenses would include compensation for licensed agents or other licensed persons for providing distribution assistance; the preparation, production and dissemination of Fund prospectuses and other marketing or advertising materials and vehicles.

The Fund, and/or the Principal Distributor acting on the Fund’s behalf, will enter into separate Distribution Agreements with selected institutional partners having established distribution platforms. The Fund or the Principal Distributor will pay Annual Distribution Fees, which will vary per institutional partner, depending on outstanding assets under management, but subject to the maximum of three percent per annum (3% p.a.) rate mentioned in the preceding paragraph.

Annual Distribution Fees will be accrued daily based on each day’s outstanding assets under management, and paid out on a monthly basis.

AAMI is the licensed principal distributor for five mutual funds:

1. The Mutual Fund Company of the Philippines, Inc.;
2. ATR KimEng Equity Opportunity Fund, Inc.;
3. ATR KimEng Money Market Fund, Inc.;
4. ATR KimEng AsiaPlus Recovery Fund, Inc.; and
5. ATR KimEng Total Return Bond Fund, Inc.

AAMI’s authority to market, distribute and sell mutual fund shares emanates from its Investment Company Adviser (“ICA”) license, which it has held since 1995. The SEC has approved the renewal of AAMI’s annual ICA license for the year beginning January 1, 2010 for the first three of the above-mentioned mutual funds, and has also approved AAMI’s new ICA license for the same year for the latter two funds.

SALES, REDEMPTION OF SHARES, AND COMPUTATION OF NET ASSET VALUE

Sales Fees and Redemption Fees Payable by Investors

Investor Buys Fund Shares	Investor Redeems Fund Shares
There will be charged a Sales Fee, inclusive of expanded Value-Added Tax (“eVAT”) not to exceed five percent (5%) of the investment amount being purchased / subscribed.	If the investment being redeemed was purchased / subscribed within the preceding two years, there will be a Redemption Fee, inclusive of eVAT, not to exceed five percent (5%) of the amount being redeemed. No Redemption Fee will be charged for the redemption of investments purchased / subscribed more than two years earlier.

Purchase of Shares

Shares of the Fund are offered for sale on a continuous basis at the Net Asset Value through the Fund and its registered representatives and dealers. There is no public trading market for these shares. For investors purchasing shares of the Fund, the minimum investment (excluding Sales Fee) shall be an amount of not less than Two Thousand U.S. Dollars (USD 2,000), as determined from time to time by the Fund. The subsequent investment (excluding Sales Fee) shall be at least Five Hundred U.S. Dollars (USD 500) and shall be in multiples of Five Hundred U.S. Dollars (USD 500). Investment in the Fund shall be on cash basis only; installment sales are expressly prohibited.

Any person at least eighteen (18) years of age may purchase the shares provided that no such purchase is contrary to the best interests of the other shareholders or would otherwise disrupt the management of the Fund. Prospective investors will fill out new account forms, signature cards, client and portfolio profile forms, and must present two (2) valid identification cards issued by the government or by the investor's employer.

Corporate applicants must submit the following minimum information/documentary requirements, in order to purchase shares:

1. A duly certified copy of the SEC registration, the articles of incorporation and by-laws;
2. A duly signed board resolution certified by the corporate secretary authorizing the said purchase;
3. A list of all the authorized signatories;
4. Official address or principal business address;
5. List of directors/partners;
6. List of principal stockholders owning at least two percent (2%) of the capital stock;
7. Contact numbers;
8. Beneficial owners, if any; and
9. Verification of the identification and authority of the person purporting to act on behalf of the client

The dealers and registered representatives shall forward the new account applications and/or order tickets to purchase shares of the Fund to the Transfer Agent on the same business day they are received. Completed subscriptions received by 12:00 noon on a business day will be processed within the same business day at the Net Asset Value per share ("NAVps") determined at the close of business on that day. If received after 12:00 noon, subscriptions will be processed at the NAVps determined at the close of business on the next business day.

The Fund or any entity acting on its behalf may require evidence verifying the identity of a prospective purchaser of shares and the source of the relevant funds in compliance with the Anti-Money Laundering Act of 2001 and its implementing Rules and Regulations.

The Fund shall compute and post its NAVps on a daily basis and shall publish such daily prices in at least two (2) newspapers of general circulation in the Philippines.

Sales Price

The Sales Price will be calculated on the basis of the applicable NAVps and Sales Fee (also known as "Front-end Load" or "Entry Load"). The Sales Price per share will be calculated using the following formula:

$$\text{Sales Price per share} = \text{Applicable NAVps} + \text{Entry Load, where the Entry Load is not more than 5\% (inclusive of eVAT) of the NAVps.}$$

The Investment Manager reserves the right to reject any specific subscription or to restrict purchases by a particular investor, for example, when such purchase is contrary to the best interests of the other shareholders or would otherwise disrupt the management of the Fund. This decision will be made within two (2) business days after receipt of the subscription and in the event of a rejection, the subscription amount will be returned in the form of a local check within one (1) business day after the said decision was made to the investor without interest.

Any order for shares may be rejected by the Principal Distributor or the Fund. The SEC, the Fund or the Principal Distributor may suspend the continuous offering of shares to the general public at any time in response to conditions in the securities markets or otherwise and may thereafter resume such offering from time to time. Neither the Principal Distributor nor the eligible agents are permitted to withhold placing orders to benefit themselves by a price change.

The Transfer Agent must receive payment for the subscription on the same business day as the buy order is placed. The investor's account will be credited for the subscription only when the payment is in the form of cash or a local check that has cleared through the banking system. If payment is made by way of a check drawn on a bank (or a bank branch) located outside Metro Manila (or drawn on banks located outside designated local clearing areas of the BSP or drawn on banks located outside the Philippines), the subscription will not be processed into the investor's account, until the check has finally cleared through the banking system. Installment sales are expressly prohibited.

A non-transferable Registry Confirmation will be issued by the Transfer Agent in favor of the investors which shall be recorded in the electronic registry of the Transfer Agent without the issuance of other evidences of certificates. Issuance of the Registry Confirmation shall be for the account of the Fund. However, a fee of PHP 200.00 per Registry Confirmation shall be collected from the investor per re-issuance of replacement Registry Confirmations, either to replace lost Registry Confirmation or to split original Registry Confirmation subject to presentation of other required documents. Shares are recorded on the electronic registry by the Transfer Agent, and shareholders have the same rights of ownership as if certificates had been issued to them.

Redemption of Shares

Redemption Fees (inclusive of eVAT) in amounts not exceeding five percent (5%) will be charged by the Principal Distributor and/or eligible sales agents or securities dealers to the investor on shares redeemed in less than or within two years of subscription.

The minimum redemption amount (before deducting any applicable Redemption Fee) is Five Hundred U.S. Dollars (USD 500), unless Net Asset Value of the investor's outstanding investment in the Fund is less than Five Hundred U.S. Dollars (USD 500), in which case, the minimum redemption amount shall be the total amount of the outstanding investment.

Shares are redeemable at any time at their Net Asset Value less any applicable Redemption Fee and taxes, if any. A shareholder may request redemption of his or her shares by delivering a Registry Confirmation with the Redemption Form with any registered representative or dealer. The Redemption Form must be properly accomplished and signed by the investor with the number of shares to be redeemed indicated in the form.

For redemption, the price is the NAVps at the close of business on the day the Redemption Form is received by any registered representative or dealer on or before 12:00 noon. After 12:00 noon, the order ticket is deemed to have been received the following business day, and the redemption price will be the NAVps determined at the close of business on the next business day.

Payments for shares so redeemed, less any Redemption Fee and taxes, if any, will be made by the Fund within seven (7) business days from receipt of the request for redemption. Payment upon redemption will be made by issuing a check payable to the registered shareholder or by remitting the redemption amount to a bank account designated by such shareholder.

In case the shares are held in the names of more than one shareholder, where the mode of holding is specified as "Joint", the Redemption Form will have to be signed by all the joint holders. However, in cases of joint holdings specified as "and/or", any of the shareholders will have the authority to sign the Redemption Ticket, without it being necessary for all the other joint shareholders to sign.

The Fund may suspend redemptions or postpone payment of redemptions (i) for any period when cash clearing is suspended by the Philippine Clearing House Corporation or BSP or (ii) with the consent of SEC.

Right to Limit Redemption

The SEC may, whenever necessary or appropriate in the public interest or for the protection of investors, suspend the redemption of securities of the Fund. Any shares which by virtue of this limitation are not redeemed on a particular business day will be carried forward for redemption to the next business day, in the order of receipt. Redemptions so carried forward will be priced on the basis of the redemption price of the business day on which such redemption is made.

During periods of crisis in the capital markets, as may be determined by the SEC, especially where there are unusually severe declines in the trading liquidity of the positions in which the Fund's portfolio is invested, the Investment Manager may deem it in the public interest or in the interest of the Fund's investors to instruct the Custodian and Transfer Agent to suspend or partially restrict redemptions until, in the Investment Manager's judgment, the crisis has abated. With the prior approval of the SEC, the Investment Manager may also instruct the Custodian and Transfer Agent to suspend redemptions in situations, described below, where the calculation of the Fund's NAVps shall be suspended. The Investment Manager shall promptly notify the Fund's investors of any suspensions, partial restrictions, or resumptions of redemption initiated by the Investment Manager.

Redemption Price

The Redemption Price will be calculated on the basis of the applicable NAVps less Redemption Fee and taxes, if any. Shares redeemed in less than or within the two-year holding period starting from date of subscription, are subject to an Redemption Fee of not more than 5% of the investment amount. The Redemption Price per share will be calculated using the following formula:

Redemption Price per share = applicable NAVps, less Redemption Fee and taxes, if any.

Payment of Redemption

Payments for shares so redeemed, less any Redemption Fee and taxes, if any, will be made by the Fund within seven (7) business days from receipts of the request for redemption.

The redemption price will be paid by check or via credit to the shareholder's account. Payments will be made in favor of the registered shareholder.

For redemptions through check, checks will be sent to the shareholder's address (or, if there is more than one shareholder on record, the address of the first-named shareholder). In order to protect the interest of the shareholders from fraudulent encashment of checks, it is mandatory for investors to mention in their Redemption request the name of their bank, the branch and the account number. The Fund shall not be liable for any loss arising out of fraudulent encashment of checks.

Computation of the Net Asset Value

The Net Asset Value of each share of the Fund ("NAVps") as of the close of business on any day shall be the quotient obtained by dividing the value of the assets of the Fund less the liabilities (such liabilities being exclusive of capital stock and surplus) by the total number of shares outstanding of such close, all determined and computed as follows:

The assets of the Fund shall be deemed to include (i) all cash on hand, on deposit or on call, (ii) all bills and notes and accounts receivables, (iii) all shares of stock and subscription rights and other securities owned or contracted for the fund other than its own capital stock, (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to stockholders of record on a date on or before the date as of which the net asset is being determined, (v) all interest accrued on any interest-bearing securities owned by the Fund, (vi) all real properties or interest therein, and (vii) all other property of every kind and nature, including prepaid expenses.

The liabilities of the Fund shall be deemed to include (i) all bills and notes and accounts payable, (ii) all administrative expenses payable and/or accrued (including Annual Management Fees and Annual Distribution Fees payable), (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid dividend declared upon the Fund's stock and payable to shareholders of record on or before the day on which the value of the Fund's shares are being determined, (iv) all reserves authorized or approved by the Board of Directors for taxes or contingencies, and (v) all other liabilities of the fund of whatsoever kind and nature except liabilities represented by the outstanding capital stock and surplus of the Fund.

The Net Asset Value per share computation shall be made in accordance with the valuation method indicated in the prospectus and shall be applied consistently. Any changes in the NAVps calculation or valuation method shall be subject to approval by the SEC. Except as the SEC shall, from time to time prescribe, the Net Asset Value shall be calculated by adding (A) the aggregate value of the portfolio securities and other assets, (B) the cash on hand, (C) any dividends on stock trading ex-dividend, (D) any accrued interest on portfolio securities, and subtracting (E) taxes and other charges against the fund not previously deducted, (F) accrued expenses and fees, and (G) cash held for distribution to securities holders on a prior date.

The NAVps for a given business day will be determined by the Investment Manager as soon as all closing prices for the Fund's assets are available. This may entail waiting for all of the exchanges where these assets are traded to close first. When such last exchange closes, the business day shall be deemed to have closed. Investors should note that the Fund will be investing in securities traded in the various time zones of the world. For example, the Philippines time zone is 12 or 13 hours ahead of New York time, depending on the Daylight Savings Time scheme. As such, the Investment Manager would be able to determine the prices of its New York

investments only after the markets in that time zone close, or at 4:30 A.M. or 5:30 A.M., Philippine time. European and Asian markets close before New York does. Normally, the NAVps for the business day would be calculated at 9:00 A.M. of the next day, Philippine Time, if the Fund has assets in global markets. If the Fund is invested only in assets in nearby Asian markets, then it may be possible to calculate the NAVps within the same day, without waiting for all the international markets to close. Generally, the financial markets in the United States are the last markets to close on any business day.

With the prior approval of the SEC, the Investment Manager may instruct the Fund Accountant to temporarily suspend calculation of the Fund's Net Asset Value and NAVps in any of the following instances:

- a) when one or more stock exchanges or other regulated markets, functioning in a regular manner, recognized and open to the public, supplying listings for a significant portion of the assets of the Fund, is closed for periods other than regular holidays, or when transactions thereat are suspended or subject to restrictions;
- b) when the means of communication or calculation used to determine the value of a substantial portion of the assets of the Fund are suspended, or when, for any reason whatsoever, the value of a substantial portion of the investments of the Fund cannot be determined with the desirable speed and accuracy;
- c) when currency exchange rate or capital transfer restrictions prevent the execution of transactions for the account of the Fund, or when purchase or sale transactions for the account of the same cannot be executed at normal rates of exchange;
- d) when factors due, inter alia, to the political, economic, military or monetary climate, which are outside the control, liability and operational scope of the Custodian shall prevent the same from effecting disposal in respect of the assets and from determining the Net Asset Value thereof in a normal and reasonable manner; or
- e) when the market for a currency in which a significant portion of the assets of the Fund is invested shall be closed for periods other than normal holidays, or when transactions thereon are suspended or subject to restrictions.

Should the Investment Manager suspend the calculation of the NAVps, the Custodian and Transfer Agent shall also suspend acceptance of subscription and redemption orders. Such suspension shall promptly be communicated to the Fund's investors, and in particular to any investors requesting redemption of their shares.

Taxation

Investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding and redeeming shares of the Fund. Tax rulings and other investment factors are subject to rapid change.

Statement of Account

Statements of account shall be sent to shareholders on a quarterly basis.

MANAGEMENT OF THE FUND

The Investment Manager

ATR KimEng Asset Management, Inc. ("AAMI"), a corporation duly organized and existing under Philippine laws, is the Investment Manager of the Fund. AAMI, with principal office at the 17th Floor, Tower One and Exchange Plaza, Ayala Avenue, Ayala Triangle, 1200 Makati City, is a fund management company organized in 1995 and duly registered with the SEC as an investment manager of, at present, three other investment companies.

In order to carry out the purpose and the investment policy and objectives of the Fund, the Fund has entered into an Investment Management Agreement with AAMI to manage and administer the assets of the Fund. Through

the Investment Management Agreement, the guidelines for the management of the resources and operations of the Fund are set. The Investment Manager, in addition to the reimbursement of its expenses and disbursements in the administration and management of the portfolio including counsel fees, is entitled to receive as compensation for its services, an Annual Management Fee equivalent to a maximum of five percent per annum (5% p.a.) of the market value of the portfolio, in accordance with such schedule of fees as may be mutually agreed upon by the parties in a separate agreement. Such fees will be accrued daily and paid to the Investment Manager every month.

As Investment Manager, AAMI is primarily responsible for the management, investment and reinvestment of the Fund's portfolio. The scope of the Investment Manager's responsibility covers economic/market research and analysis, investment review and evaluation, securities selection, accreditation and selection of counterparties, brokers and dealers as well as actual trade execution, all in accordance with Fund's investment objective and policies.

The Fund will continuously offer for sale the shares through its registered representative legally qualified to sell the Fund's shares and dealers with whom it has entered into distribution agreements.

AAMI is authorized to act as investment manager of the Fund's shares.

Any order for shares may be rejected by the distributors of the Fund. The SEC, the Fund or the distributors may suspend the continuous offering of shares to the general public at any time in response to conditions in the securities markets or otherwise and may thereafter resume such offering from time to time. Neither the distributors nor the eligible agents are permitted to withhold placing orders to benefit themselves by a price change.

The Investment Manager does not have a right to designate or nominate a member or members of the Board of Directors of the Fund.

The Fund's shares are not designated to be sold to specified persons.

ATR KimEng Asset Management, Inc.

AAMI, Inc. was established in July 1995, and originally named The Mutual Fund Management Company of the Philippines, Inc. The change in corporate name was approved by the SEC on December 17, 2009.

AAMI has held an Investment Company Adviser ("ICA") license since 1995. This annually-renewed license permits its holder to manage the portfolio of a registered mutual fund. The SEC has approved AAMI's ICA license for the year beginning January 1, 2010 for the following five mutual funds:

1. The Mutual Fund Company of the Philippines, Inc.;
2. ATR KimEng Equity Opportunity Fund, Inc.;
3. ATR KimEng Money Market Fund, Inc.;
4. ATR KimEng AsiaPlus Recovery Fund, Inc.;
5. ATR KimEng Total Return Bond Fund, Inc.

As of December 31, 2009, these five funds' total net assets under management ("Net AUM") amounted to approximately PHP 760 million. The mutual funds presently managed by AAMI are available to institutional investors, who comprise slightly over 60% of Net AUM, as well as over 3,400 individual investors, who account for the nearly-40% balance. About 25% of AAMI's individual mutual fund investors are Filipinos who are based abroad.

AAMI is part of the ATR KimEng Group. The ATR KimEng Group pursues its asset management business in the Philippines through AAMI and the Trust Department of ATR KimEng Capital Partners, Inc. ("ATRKE Capital"), the Philippines' largest non-bank affiliated investment bank. This group of entities is known collectively as the ATR KimEng Asset Management Group ("ATRKE AMG"). With the recent reorganization of the ATRKE AMG, an increase in the authorized capital stock of AAMI from PHP 30 million to PHP 100 million was approved by its Board of Directors and ratified by its stockholders, in preparation for an expansion of its business operations. ATRKE Capital, through its majority-owned subsidiary, ATR KimEng AMG Holdings, Inc., subscribed to the said increase in authorized capital stock to further increase its equity interest in AAMI to 94.92%.

The ATR KimEng Group

The ATR KimEng Group operates in the capital markets, insurance and real estate businesses. More specifically, the Group has units engaged in: investment banking and advisory services (equity IPOs and follow-on offers, bond underwriting, mergers and acquisitions, debt restructuring); stock broking and equity research; life, health, and general insurance underwriting, distribution, and broking; asset management (mutual funds and trust services); foreign exchange and fixed income broking; and residential condominium development. The Group's flagship holding company is ATR KimEng Financial Corporation ("ATRKE Financial"), which is publicly traded on the Philippine Stock Exchange ("PSE") under the ticker symbol ATRK.

The Group is headed by Messrs. Ramon B. Arnaiz, Manuel N. Tordesillas, and Lorenzo Andres T. Roxas (whose surnames form the acronym "ATR"). These principals were previously the management team of the Group's predecessor investment banking and stock brokerage businesses, Peregrine Capital Philippines, Inc. and Peregrine Securities Philippines, Inc. When the Peregrine group's Hong Kong-based parent filed for bankruptcy in 1997, Messrs. Arnaiz, Tordesillas and Roxas and their partners bought Peregrine's viable Philippine operations from the bankruptcy court.

ATRKE Financial is 45% owned by ATR Holdings, Inc., a privately-held Philippine corporation which in turn is owned by Messrs. Arnaiz, Tordesillas and Roxas, and other prominent investors including companies controlled by Messrs. John Gokongwei, Andres Soriano III, and George Drysdale, Jr., and Ms. Loida Nicolas Lewis, and Lotus Asset Management Ltd., a Hong Kong-based investment fund.

Another 38% of ATRKE Financial is held by Kim Eng Holdings Ltd. ("Kim Eng"), an investor in the Group since 1998. Kim Eng is Singapore's largest independent stock broker, became a significant minority shareholder. Through this alliance, the ATR KimEng Group is able to serve foreign institutional investors via sales desks in New York, London, Hong Kong, Singapore and other major money centers, and also enjoys access to Kim Eng's network of equity research analysts across East and South Asia. The leading strategic investors in Kim Eng Holdings Ltd. are Japanese banking group Mitsubishi-UFJ and Taiwanese financial group Yuanta Securities. Kim Eng is a publicly-held firm traded on the Stock Exchange of Singapore.

The approximately 16% remainder of ATRKE Financial's shareholder base consists of the investing public, or free float.

The Group's investment banking unit, ATRKE Capital, has served as a lead underwriter for a series of prominent capital-raising exercises over the years. Most recently, ATRKE Capital served as joint lead for the 2007 initial public offerings (IPOs) of Aboitiz Power Corp. and GMA Network, Inc., and for the 2008 IPOs of San Miguel Brewery, Inc. and Pepsi-Cola Products Philippines, Inc. ATRKE Capital has also served as a financial advisor in debt restructuring situations (such as those involving Asian Hospital and Makati Medical Center) and government privatizations (notably for the auction of the National Transmission Company or TRANSCO).

Stock broking unit ATR KimEng Securities, Inc. ("ATRKE Securities") has consistently been the top local broker in annual Peso trading volume, rising from sixth largest in 2006 (with a 6.4% market share) to fourth in 2007 (7.2%), to second in 2008 (9.0%), and to first in 2009 (19.0%). ATRKE Securities has received awards from international trade magazines such as Finance Asia, and commands respect among both foreign institutional investors and the international business media for its fundamental stock and economics research and for its trading execution.

Directors and Officers of the Investment Manager

Ramon B. Arnaiz, 64, Filipino, is the Chairman of the Board of Directors of AAMI and is a member of its Investment Committee. He is concurrently the Chairman of the Boards of ATR KimEng Financial Corp. ("ATRKE Financial"); ATR KimEng Capital Partners, Inc. ("ATRKE Capital", formerly named Peregrine Capital Philippines, Inc., or "PCPI"); AsianLife Financial Assurance Corp. ("ALFA"); and AsianLife and General Assurance Corp. ("ALGA"). He also serves as Vice Chairman of the Board of Tullett Prebon (Philippines), Inc. ("TPPI"). He has over 30 years' experience in securities brokerage. Prior to joining PCPI, he was Chairman of Citicorp Scrimgeour Vickers (Philippines), Inc., and before that, Head of the Philippine Representative Office of Vickers da Costa Ltd. (London). He also previously worked for Merrill Lynch in Madrid, London and Manila, managing stocks, bonds and commodities. He is a past Governor of the Makati Stock Exchange. After receiving an undergraduate degree from De La Salle University, he earned an MBA

from the University of Santa Clara and completed the Owner/President Management Program at Harvard Business School.

Manuel N. Tordesillas, 57, Filipino, is a Board Director of AAMI. He is concurrently the President of ATRKE Financial, ATRKE Capital, and ALFA. He is also Chairman of the Board of ATR KimEng Land Corp.; and a Director of ATRKE Financial, ATRKE Capital, ALFA, ALGA, and TPPI. He has over 30 years of international and local investment banking experience. Before moving back to the Philippines in 1995, he was Executive Director at Peregrine Capital Ltd. in Hong Kong, responsible for regional capital market activities in Southeast Asia. Prior to that, he was an Executive Director at Citicorp International Ltd. in Hong Kong, likewise handling regional capital markets. He holds an undergraduate degree from De La Salle University and an MBA from Harvard Business School. He is a past President of the Investment Houses Association of the Philippines and the Harvard Business School Association of the Philippines.

Michael V. Ferrer, 43, Filipino, is a Board Director of AAMI, as well as its President and Managing Director, and a member of its Investment Committee. Prior to AAMI, he spent 15 years with ING, rising to the position of Country Manager and Chief Executive Officer for the Philippines operation after gaining experience in portfolio management, corporate banking, risk management, and sales and marketing functions. Following his Philippines assignments, he was made Country Manager for ING's fund management subsidiary in Taiwan, where he integrated ING's local operations with an acquired asset management business. He then moved on to Hong Kong to become ING's Regional General Manager for South Asia, developing the group's investment management distribution capabilities spanning the Pacific through the Middle East. Before his career at ING, he worked at a private equity fund, and helped establish an outsourcing venture engaged in engineering design. He obtained a Bachelor of Economics degree (*magna cum laude*) from the University of the Philippines with the distinction of ranking second in his graduating class.

Phillip Frederick S. Hagedorn, 43, Spanish, is a Board Director of AAMI, is its Executive Director for Investments, and Chairman of its Investment Committee. Before joining AAMI, he served as a Director and Vice President at ATR KimEng Securities, Inc., handling domestic and international institutional clients. Previously, he was Vice President, Director, and Head of Sales at Anscor Hagedorn Securities, Inc., where he built a nationwide branch network to serve retail investors. He is a Director of Phelps Dodge Philippines and ATR KimEng Insurance Brokers, Inc. He is a past President of the Rotary Club of Makati West, and a former Trustee of the Fund Managers Association of the Philippines. He obtained his BS in Marketing from Boston College in 1989. He is a Certified Investment Solicitor.

Ma. Victoria C. Viñas, 56, Filipino, is an Independent Board Director of AAMI. She is a consultant for several retirement funds. She is the President of Anita Realty & Development Corp., and a Director of Quorum International, Inc. (Toby's Sports); Sports Resources, Inc.; and TSF Systems, Inc. She is also Chairperson of RCW Foundation, Inc.; a Trustee of Kaisahang Buhay Foundation and University of Regina Carmeli; and a member of the Finance and Investment Committees of De La Salle Philippines, Inc., De La Salle Brothers, Inc. and La Salle Greenhills. She serves as an Independent Director for ATRKE Financial. Earlier, she was Senior Vice President at San Miguel Corp., handling its corporate finance and retirement funds, and before that she was Senior Vice President at AB Capital and Investment Corp. and Senior Assistant Treasurer at Bancom Development Corp. She received a BA in Economics (*cum laude*) from Maryknoll College and attended post-graduate courses at the University of Pennsylvania's Wharton School and the University of California.

Conrado F. Bate, 47, Filipino, is an Independent Board Director of AAMI. He is the President and Chief Executive Officer of CitisecOnline.com, Inc. Prior to this, he was Vice President - Head of Product at J.P. Morgan Securities Philippines, Inc., managing the overall operations of Jardine Fleming / JP Morgan Securities. Asiamoney Magazine ranked him the second best equity salesman in the Philippines in 2000. In 2002, he served as Chairman of the Local Roadshow Committee for the Philippine Stock Exchange ("PSE"), and was also a member of the PSE's business development and legislative committees. He was formerly the President and Chief Executive Officer of Abacus Securities Corp.; Vice President of the Fund Management Division of the Philippine American Life Insurance Company, Inc. ("PhilamLife", a subsidiary of American International Group or "AIG"); and Assistant Manager at Urbancorp Investment, Inc. (the stock broking subsidiary of Urban Bank). He holds two degrees from De La Salle University: a BA in Economics and a BS in Marketing Management.

Eulogio A. Mendoza, 61, Filipino, has been a Board Director AAMI since 2005. He is also the Board Chairman and President of the Fund. Since 2003 he has been President and Chief Executive Officer of AsianLife and General Assurance Corporation ("ALGA"), and is also a member of ALGA's Board of Directors.

He is Co Vice-Chairman of AsianLife Financial Assurance Corporation (“ALFA”), a majority-owned subsidiary of ALGA. He is also Chairman of the Board and President of ATR KimEng Equity Opportunity Fund, Inc. (2004 to present) ATR KimEng Money Market Fund, Inc. (2005 to present), and ATR KimEng Total Return Bond Fund, Inc. (2009 to present). Since 2003 he has been a member of the Board of Directors of the Philippine Life Insurance Association (“PLIA”), the country’s life insurance industry association, and was PLIA President in 1994-1996. Previously, he was a member of the Boards of Directors of various units of American International Group (“AIG”) such as PhilamCare Health Systems, Inc. (1989-1992) and Philam Plans, Inc., and of the Board of Directors of The Pan Philippine Life Insurance Corp. (now Philippine Axa Life) (1992-1998). His prior work experience in the insurance industry includes his having been Vice-President at Philippine American Life Insurance Company, Inc. (also an AIG company) (1988-1992), President and Chief Executive Officer of the Pan Philippine Life Insurance Company (1992-1998), and then President and Chief Executive Officer of GE Life Insurance Company (1998-2001) (now ALGA). He earned the title Fellow, Life Management Institute (FLMI) from the Life Office Management Administration (LOMA). He obtained his MBA from the Ateneo Graduate School of Business and both his Master of Arts in Philosophy (*cum laude*) and Bachelor of Science in Philosophy (*cum laude*) from the University of Santo Tomas.

Abelardo V. Cortez, 64, Filipino, is a Board Director of AAMI. He is the Head of the Trust Services Division of ATRKE Capital and Human Resources Director of the ATR KimEng Group of Companies. He joined ATRKE Capital in July 1996. He has over 20 years of senior management experience in commercial banking, particularly in treasury, trust operations and investment management. He was formerly a Vice President at the Bank of the Philippine Islands and Chief Executive Officer of BPI International Finance Ltd. (Hong Kong). He obtained his Bachelor of Laws (receiving the Abbot’s Award, the school’s highest honor) and BA (*cum laude*) from San Beda College.

Lilia C. Clemente, 69, American, is a Board Director of AAMI. She is Chairman of Clemente Capital, Inc. (“CCI”), a New York-based investment manager, and of Clemente Capital (Asia), an investment advisory firm. She has been managing international and U.S. investments for more than 30 years. Before establishing her own firm in 1986, she was First Vice President and Chief Investment Officer-International Investments of Mitchell Hutchins Asset Management, Inc., a subsidiary of Paine Webber, Inc. Previously, she was Director of Investment Research and Assistant Treasurer at the Ford Foundation, and an investment analyst with CNA Financial Corp. She is a member of the Asian Securities Industry Institute, a Director of the U.S. Securities Industry Association, and a member of the Board of Directors of the China Securities Industry Institute. She earned a Master’s in Economics at the University of Chicago, after completing studies at the University of the Philippines. She is one of the principals who organized AAMI in 1995.

Leopoldo M. Clemente, Jr., 71, American, is a Board Director of AAMI. He is Chief Investment Officer of Clemente Fund Management (Asia) Ltd., and also President and Chief Investment Officer of CCI. He presently serves as an investment consultant to the Carnegie Mellon University’s technology incubator fund. He has over 30 years’ worth of investment analysis and portfolio management experience. Prior to joining CCI in 1987, he served as Vice President and Portfolio Manager for Van Eck Management, Inc., where he managed the World Trends Fund, an open-end mutual fund. Before that, he was Vice President, Portfolio Manager and member of the Investment Policy Committee at Eberstadt Asset Management, Inc., handling that firm’s global exposure and managing Eberstadt International Fund L.P. Earlier, he was an investment research officer at Marine Midland Bank, and before that a securities analyst at Merrill Lynch, specializing in the office equipment, computer, metals and mining industries. He received his MBA from Northwestern University, USA after completing studies at the University of the Philippines. He is one of the principals who organized AAMI in 1995.

Nilaida S. Enriquez, 53, Filipino, is Treasurer for AAMI. She has been Director and Treasurer of ATRKE Financial since 2003, and is Head of Operations for ATRKE Capital and ATRKE Securities. She joined ATRKE Securities in 1989 and is concurrently Treasurer of ATRKE Capital. She is a Director of ATRKE Securities, ALGA and ALFA. Before joining ATRKE Securities, she was Controller at General Credit Corp, and served as Controller at the Resource and Finance Group of Companies. She received an undergraduate degree from the University of the East and has earned MBA units at the Ateneo Graduate School of Business. She is a Certified Public Accountant.

Gerald D. Baldivia, 44, Filipino, has been an Executive Director at AAMI since 2007, and is a member of its Investment Committee. In 2009, he became a member of the Boards of Directors of the Fund and ATR KimEng Total Return Bond Fund, Inc. In January 2010, he became a Director of ATR KimEng Equity Opportunity Fund, Inc. From 2002 to 2006, he was an Investment Officer for the International Finance Corp. (a member of the World Bank Group), covering the Philippines, Thailand and Viet Nam. From 2000 to 2002, he was an

Associate of the Research Department of SG Securities (Philippines), Inc., a unit of Société Générale. Earlier, he held various positions in ATRKE Securities, Inc., Peregrine Securities Philippines, Inc., the Trade and Political Risk Division of AIG (during which time he was based in New York City), and Far East Bank and Trust Company. He is a Certified Investment Solicitor. He obtained an MBA in Finance and Marketing from the Columbia Business School in New York, USA and a Bachelor of Science in Business Administration (*cum laude*) from the University of the Philippines.

Julian P. Tarrobago, Jr., 36, Filipino, has been Vice President and Fund Manager at AAMI since 2009, and is a member of its Investment Committee. He has 14 years' worth of experience in the capital markets, with stints on both the "sell side" (investment research) and the "buy side" (portfolio management). Before joining AAMI, he was the Assistant Vice President in charge of ING Bank Manila's equity portfolio management group, and handled the largest equity unit investment trust fund (UITF) in the Philippines. Prior to ING, he was also a fund manager at Sun Life Asset Management Corp. Earlier in his career, he was a research analyst at a series of stock brokers: Amsteel Securities, Vickers Ballas, and most recently Philippine Equity Partners, Inc. (which was previously Merrill Lynch Philippines). He holds a Bachelor of Science in Management of Financial Institutions from De La Salle University.

Manuel I. Briones, 57, Filipino, has been the Compliance Officer for AAMI since 2009. He is concurrently the Compliance Officer for the Fund and for ATR KimEng Total Return Bond Fund, Inc. (since January 2010). He joined AAMI as Head of Operations in 1997 and became Executive Director for Operations in 2004. When he was appointed AAMI's Compliance Officer, he was required to relinquish his duties as Executive Officer for Operations and his Certified Investment Solicitor License. Earlier in his career, he worked for Citicorp Investment Philippines, where he held various positions, the last of which was Assistant Manager in the Credit Administration Department (1975-1985). He was later seconded to Citytrust Banking Corp. (1985-1992) as a result of Citibank NA's formation of a universal bank via merger of three of its local units (FNCB Finance, Citicorp and FEATI Bank). At Citytrust, he headed the Pre-Processing/Documentation Unit and the Accounting Unit of the Trust Banking Group, and was concurrently appointed Assistant Manager of Citytrust Securities Corp., a stock brokerage which he helped organize. He later moved to Asiatrust Development Bank as Trust Officer (1992-1995), and then to Insular Life Savings and Trust Company as Trust Operations Head (1995-1997). He was named one of the Ten Most Outstanding Employees of Makati by the Rotary Club of Makati in 1979. He holds an SEC license for Compliance Officers. He obtained his Bachelor of Commercial Science, major in Management, from Jose Rizal University.

Gemma M. Santos, 47, Filipino, is the Corporate Secretary of AAMI. She is a Senior Partner at Picazo Buyco Tan Fider & Santos Law Office. She is also a Director of Metro Pacific Corp. and corporate secretary of several Philippine corporations, including four publicly listed firms. She serves as corporate secretary for other firms within the ATR KimEng Group of Companies, and for two of the funds managed by AAMI, namely ATR KimEng Equity Opportunity Fund, Inc. and ATR KimEng Money Market Fund, Inc. She is a Board Director of ATR Holdings, Inc., a major owner of ATRKE Financial. She obtained her Bachelor of Laws and Bachelor of Arts from the University of the Philippines.

FUND ACCOUNTING

Deutsche Bank AG – Manila Branch will provide fund accounting and unit pricing accounting services to the Fund.

TRANSFER AGENT

Pursuant to the Transfer Agent Agreement, Deutsche Bank AG – Manila Branch will serve as the Fund's Transfer Agent. The primary responsibility of the Transfer Agent is the accurate record keeping of individual shareholdings and the issuance and cancellation of stock certificates. In consideration of the services to be rendered by the Transfer Agent, the Fund shall pay the Transfer Agent all fees, charges and obligations incurred from time to time for any services pursuant to the Transfer Agent Agreement between the Registrant and the Transfer Agent. The cost of forms, postage, computer hours and other out-of-pocket expenses in connection with the services of the Transfer Agent will be charged to the Fund, and all fees will be subject to a separate agreement that will be executed by the parties from time to time.

CUSTODIAN

Deutsche Bank AG – Manila Branch will serve as Custodian for the assets of the Fund, pursuant to the Direct Custody Agreement (“DCA”) between the Custodian and the Investment Manager. The DCA covers the Custodian’s duties on receipt of securities, identification and segregation of assets, registration of assets, reports and records to be accomplished by the Custodian, custody of investments and fees of the Custodian. All proceeds from the sale of shares/securities, including the paid-up capital of the Fund, shall be held by the Custodian. In consideration of the services to be rendered by the Custodian, the Fund shall pay the Custodian all fees, charges and obligations incurred from time to time for any services pursuant to the DCA between the Registrant and the Custodian.

CORPORATE NAME

ATR KimEng AsiaPlus Recovery Fund, Inc.
17/F Tower One & Exchange Plaza, Ayala Triangle
Ayala Avenue, 1200 Makati City, Metro Manila, Philippines
Telephone No.: +632-848-1381 through -84
Facsimile No.: +632-841-0315

INVESTMENT MANAGER AND PRINCIPAL DISTRIBUTOR

ATR KimEng Asset Management, Inc.
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Telephone No.: +632-848-1381 through -84
Facsimile No.: +632-841-0315

FUND ACCOUNTANT, CUSTODIAN AND TRANSFER AGENT

Deutsche Bank AG – Manila Branch
23/F Tower One & Exchange Plaza, Ayala Triangle
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Facsimile No.: +632-894-6959

INTEREST OF NAMED EXPERTS AND LEGAL COUNSEL

Legal Counsel

Picazo Buyco Tan Fider & Santos Law Offices
18/F Liberty Center, 104 H.V. Dela Costa St., Salcedo Village
Makati City, Metro Manila, Philippines
Telephone No.: +632-888-0999
Facsimile No.: +632-888-1011

Independent External Auditor

Manabat, Sanagustin & Co.
(a member of the KPMG International network)
9/F The KPMG Center, 6787 Ayala Avenue
1226 Makati City, Metro Manila, Philippines
Telephone No.: +632-885-7000

Facsimile No.: +632-894-1985

There is no arrangement that experts and independent counsels will receive a direct or indirect interest in the Issuer (except for director's qualifying shares) or is a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer, except in the cases of Atty. Ma. Alicia G. Picazo-San Juan, who is currently the Corporate Secretary of the Issuer, and Atty. Lyne L. Arnaldo-Vega, who is currently the Assistant Corporate Secretary of the Issuer.

Manabat Sanagustin & Co. has been the Fund's Independent External Auditor for the past two fiscal years (a period which includes the Fund's incorporation date) and until the date of this Prospectus. There have been no material disagreements between Manabat Sanagustin & Co. and the Fund as regards accounting principles or practices, financial statement disclosures, or auditing procedures.

Payments made to the Independent External Auditor were as follows:

	2008	2009
Audit of the Fund's annual financial statements and services normally connected with statutory and regulatory filings	25,000.00	34,140.00
Other assurance and related services reasonably related to the audit of the Fund's financial statements: Out-of-pocket expenses	4,400.00	4,500.00
Tax fees (tax accounting, tax compliance, advice, planning, and other tax services)	0.00	0.00
All other fees not included above	0.00	0.00
Total	29,400.00	38,640.00

THE FUND

ATR KIMENG ASIAPLUS RECOVERY FUND, INC.

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FUND ACCOUNTANT, TRANSFER AGENT AND CUSTODIAN

DEUTSCHE BANK AG - MANILA BRANCH

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INDEPENDENT EXTERNAL AUDITOR

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