



Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

ISSUE
2021-04
21-Jan-25

Net Asset Value: Php364,535,845.89
Asset category: 95% Equities; 5% Cash
Horizon: Long-term

Portfolio Returns	21-Jan-22	21-Jan-15
YTD	-2.18%	0.50%
Rolling 1 Year	-7.28%	-8.68%
Rolling 2-Year	-9.28%	-7.83%

Benchmark Returns	21-Jan-22	21-Jan-15
YTD	-1.06%	1.39%
Rolling 1-Year	-1.65%	-2.99%
Rolling 2-Year	-2.17%	-1.39%

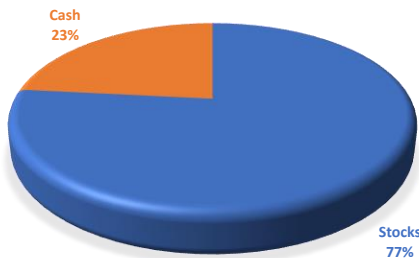
PSEi	21-Jan-22	21-Jan-15
YTD	-1.32%	0.57%
Rolling 1 Year	-5.64%	-7.12%
Rolling 2-Year	-6.20%	-5.02%

A Word on the Market

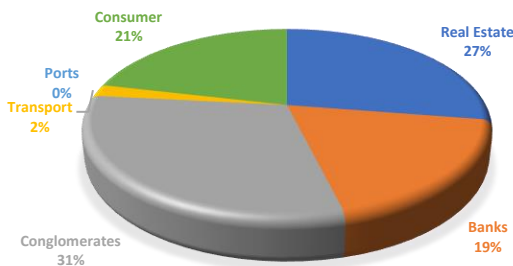
The Telecom industry outlook for 2021; is expected to increase its clients due to the COVID-19 pandemic. During 9M20, the telco sector revenue increased by 3.6% year-on-year, driven by fixed-line and broadband services. The fixed and broadband services, expected to rise due to the shift to work-from-home and home study setups. Given the expectation that lockdown restrictions will continue to improve and mobility will increase, the telco sector's forecast in 2021 wireless revenues to increase by 5.6% year-on-year to P215 Billion from P203 Billion.

Meanwhile, the Banking sector remains cautiously optimistic as the economy gradually recovers, with the possible availability of the vaccines during the second half of the year. The government could further ease restrictions, boosting consumer and business confidence and ultimately increasing the demand for loans. More importantly, the further reopening of the economy would allow more businesses to operate at full capacity.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



A Word on the Portfolio

Last week, the PSE index dropped by 2.66% week-on-week to close at 7,045.83 from its high of 7,326.54 as current investor's sentiment is risk-off since the index is at an overbought level, some are already starting taking profits. The country's recovery outlook; was held down by news of several business closures and dim macro forecasts.

This week, we expect the market to trade sideways with a downward bias; it may hit at a level of 6,923.49 to 6,861.67 as sold down index names find relief at the early part of the week. Some investors may however remain on the sidelines, anticipating the PH and US GDP releases to assess the diverging impacts of COVID-19 on the economy. Despite eased age restrictions in areas under modified general community quarantine (MGCQ), investors wary over new COVID-19 variant cases and the possibility of its community transmission in the country.

2021 Performance Attribution Analysis

	Allocation		Returns		Attribution to			Total
	Portfolio (a)	Benchmark (b)	Portfolio (c)	Benchmark (d)	Allocation (e) (a-b)*(d-benchmark return)	Selection (f) (c-d)*b	Interaction (g) (a-b)*(c-d)	
Equities	76.64%	95.00%	-2.96%	-1.14%	0.01%	-1.73%	0.34%	-1.38%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	23.36%	5.00%	0.40%	0.40%	0.27%	0.00%	0.00%	0.27%
Total	100.00%	100.00%	-2.18%	-1.06%	0.28%	-1.73%	0.34%	-1.12%

	CSCEIF	Benchmark
Mean	-0.14%	-0.07%
Std. Dev.	0.88%	0.88%
Beta	0.92	
Corr. Coeff.	0.92	