



Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

ISSUE
2021-05
21-Feb-01

Net Asset Value: Php353,767,764.06

Asset category: 95% Equities; 5% Cash

Horizon: Long-term

Portfolio Returns	21-Jan-29	21-Jan-22
YTD	-8.32%	-2.18%
Rolling 1 Year	-13.13%	-7.28%
Rolling 2-Year	-12.17%	-9.28%

Benchmark Returns	21-Jan-29	21-Jan-22
YTD	-7.02%	-1.06%
Rolling 1-Year	-7.51%	-1.65%
Rolling 2-Year	-5.60%	-2.17%

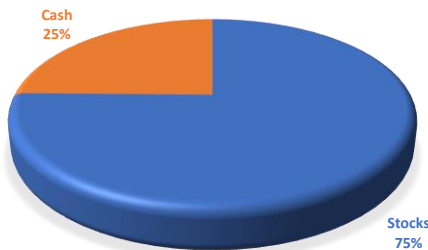
PSEi	21-Jan-29	21-Jan-22
YTD	-7.38%	-1.32%
Rolling 1 Year	-11.46%	-5.64%
Rolling 2-Year	-9.39%	-6.20%

A Word on the Market

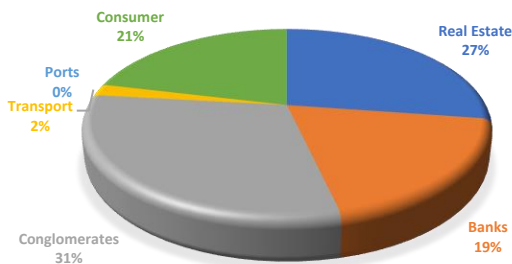
The revised 3Q20 GDP contracted by -11.4%, slightly better than the initial -11.5% reported last November. The latest fourth-quarter GDP fell by -8.3%. Despite the contraction, GDP fell slower than the consensus forecast of 8.5% to 8.7%. Household consumption, gross capital formation, and exports remained weak, falling by 7.2%, 29.0%, and 10.5% in the fourth quarter. On the positive side, the decline in the fourth quarter was slower than the pace registered in the third quarter of -9.2% for household consumption, -41.6% for gross capital formation, and -14.4% for exports. However, the quarter-on-quarter improvement was already expected as the government further loosened mobility restrictions.

Meanwhile, Fed Chairman Chair Jerome Powell said that the US central bank was not planning on exiting the massive support for the economy during the ongoing coronavirus pandemic, as officials left their benchmark interest rate unchanged near zero and flagged a moderating US recovery.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



A Word on the Portfolio

Last week, The PSE Index plummeted by 6.17% to close at 6,612.62, its lowest since Nov-2020, as foreign investors continued its region-wide sell-off. In the previous newsletter last Jan 25, 2021, the market dropped more than we expect at 6,923.49 to 6,861.67 due to the 2020 fourth-quarter GDP result. Moreover, the results of 2020's full-year GDP growth at -9.5% and the confirmation of a local UK COVID-19 variant transmission in Bontoc further contributed to bearish investor sentiment.

This week, we expect the market to trade upwards as investors await the ratification of the CREATE bill. Moreover, the market would hit at 7,030 to 7,190 a possible formation of head and shoulder pattern it is an indication that the bearish momentum remains on the radar. In addition, US President Joe Biden's continued rhetoric against China.

	CSCEIF	Benchmark
Mean	-0.43%	-0.36%
Std. Dev.	1.21%	1.14%
Beta	1.01	
Corr. Coeff.	0.95	

2021 Performance Attribution Analysis

	Allocation		Returns		Attribution to			Total
	Portfolio (a)	Benchmark (b)	Portfolio (c)	Benchmark (d)	Allocation (e)	Selection (f)	Interaction (g)	
					(a-b)*(d-benchmark return)	(c-d)*b	(a-b)*(c-d)	
Equities	75.29%	95.00%	-11.18%	-7.41%	0.08%	-3.58%	0.74%	-2.76%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	24.71%	5.00%	0.40%	0.40%	1.46%	0.00%	0.00%	1.46%
Total	100.00%	100.00%	-8.32%	-7.02%	1.54%	-3.58%	0.74%	-1.30%