



Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

ISSUE
2021-07
21-Feb-15

Net Asset Value: Php359,993,920.76

Asset category: 95% Equities; 5% Cash

Horizon: Long-term

Portfolio Returns	21-Feb-11	21-Feb-05
YTD	-3.51%	-2.83%
Rolling 1 Year	-7.56%	-4.84%
Rolling 2-Year	-9.94%	-9.79%

Benchmark Returns	21-Feb-11	21-Feb-05
YTD	-1.77%	-1.27%
Rolling 1-Year	-0.11%	1.32%
Rolling 2-Year	-3.02%	-2.75%

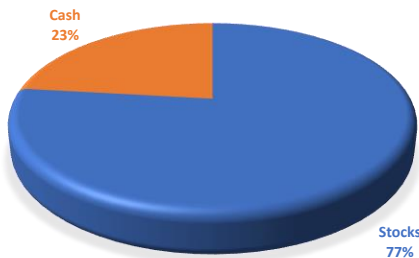
PSEi	21-Feb-11	21-Feb-05
YTD	-2.08%	-1.69%
Rolling 1 Year	-5.92%	-2.87%
Rolling 2-Year	-6.98%	-6.73%

A Word on the Market

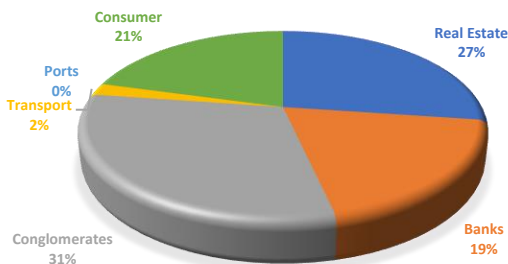
The January inflation jumps to a 2-year high of 4.2% exceeding the BSP forecast of 3.3% to 4.1%. Inflation continued to accelerate, led by higher prices of food and non-alcoholic beverages which is an index heavyweight. Factors that pushed up inflation are the African Swine Fever (ASF), weather-related disturbances, and higher global oil prices which are supply-side issues. Higher inflation could push up longer-term bond rates. However, the BSP will most likely maintain its loose monetary policy as it believes that the increase in inflation is only temporary.

Meanwhile, the initial batch of COVID-19 vaccines from the global vaccine sharing scheme COVAX is expected to arrive in the country by mid-February as the government plans to launch its vaccination drive next week. The initial shipment from the global procurement pool would be 117,000 doses of the Pfizer-BioNTech vaccine, which would require subzero temperatures for storage. These would be kept in the Department of Health (DOH) warehouse before being distributed to COVID-19 referral hospitals.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



A Word on the Portfolio

Last week, the PSE index plummeted by 0.40% and closed at 6991.01 as profit-taking ensued amidst a cautious investor sentiment. The wait for the Bangko Sentral ng Pilipinas (BSP) policy decision released on Thursday likely contributed to the volatile market activity. The previous newsletter last Jan 25, 2021, stated that the market would hit at 7,030 to 7,190 a possible formation of head and shoulder, which is a bearish pattern. Last Friday it completed to create the right shoulder, we will wait and see what will the market reacts.

This week we expect the market to trade sideways as investors are cautious because of lack of clarity to the market in contrary to the latest development in the economy. The BSP paused interest rate cuts last week, also, the downward trend in COVID-19 cases in the Philippines, as well as the possible reopening of cinemas and other public spaces, should help lift sentiment further.