



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

ISSUE
2021-09
21-Feb-26

Net Asset Value: Php354,273,835.84
Asset category: 95% Equities; 5% Cash
Horizon: Long-term

Portfolio Returns	21-Feb-26	21-Feb-19
YTD	-5.10%	-3.59%
Rolling 1 Year	-2.37%	-6.00%
Rolling 2-Year	-10.46%	-9.31%

Benchmark Returns	21-Feb-26	21-Feb-19
YTD	-4.27%	-2.49%
Rolling 1-Year	3.88%	0.34%
Rolling 2-Year	-4.16%	-2.75%

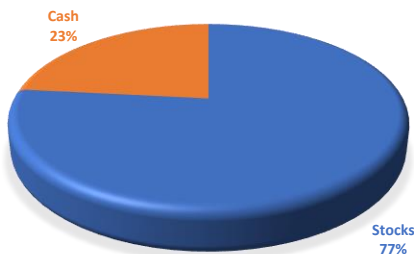
PSEi	21-Feb-26	21-Feb-19
YTD	-4.83%	-2.99%
Rolling 1 Year	-1.66%	-5.41%
Rolling 2-Year	-7.77%	-6.43%

A Word on the Market

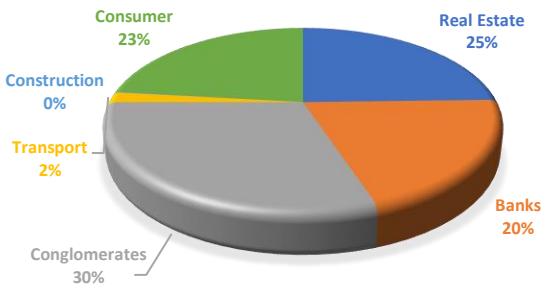
The Inter-Agency Task Force (IATF) has recommended further relax restrictions even amid the emergence of new COVID-19 variants and delays in the delivery of vaccines to the country. However, President Duterte rejected the proposal to shift the Philippines to the most lenient quarantine status, which is MGCQ, given that there is still no COVID-19 vaccine rollout. Metro Manila mayors want cinemas to reopen at 20%-30% capacity, in the condition to come up with a modified guideline when Metro Manila will shift to MGCQ.

The National Telecommunications Commission (NTC) declared Dito Telecommunity compliant with its requirement to provide at least 27mbps internet speed to 37% of the population in its first year of operations. The results of the technical audit also indicated that the minimum average broadband speed hit 86mbps and 508mbps for 4G and 5G connections. Although, during the technical audit there are no subscribers yet. When the network is commercially live the actual speed may vary.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



A Word on the Portfolio

Last week, the PSE index tracked the global market sell-off, dropping by -1.9% and closing by 6,794.86 as the continuous rise in bond yields dented the appetite for equities. The PSE index's volume was notably higher relative to previous weeks, as funds realigned portfolios with MSCI rebalancing changes that took effect on Friday's close.

This week, we expect the market to trade in sideways with a downward bias; risk-off on equity markets remains bearish. We are expecting that the PSE index would likely hit the support level at 6,500 based on June 9, 2020. Investors will also be on the lookout for the manufacturing PMI, inflation data, additional blue-chip earnings releases this week, as well as the final schedule of AstraZeneca vaccine arrival.

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%	-6.77%	-4.51%	0.05%	-2.15%	0.41%	-1.69%
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%	0.86%	0.00%	0.00%	0.86%
Total	100.00%	100.00%	-5.10%	-4.27%	0.90%	-2.15%	0.41%	-0.83%

	CSCEIF	Benchmark
Mean	-0.13%	-0.11%
Std. Dev.	1.21%	1.19%
Beta	0.97	
Corr. Coeff.	0.95	

Definition of Terms

Investment return	That one rate of return that would grow the value of an investment from one of its past prices to its current price level. This return is also known as the compound annual growth rate (CAGR) or effective return.
YTD	Year-to-date return or the return measured by comparing the current price to the price at the beginning of the corresponding calendar year
Rolling 1-year return	The return measured by comparing the current price to the price exactly one calendar year ago.
Rolling 3-year return	The return measured by comparing the current price to the price exactly three calendar years ago.
Rolling 5-year return	The return measured by comparing the current price to the price exactly five calendar years ago.
Performance attribution analysis	Attribution analysis is a method for evaluating the performance of a portfolio or fund manager. The method focuses on three factors: the manager's investment style, their specific stock picks, and the market timing of those decisions. It attempts to provide a quantitative analysis of the aspects of a fund manager's investment selections and philosophy that lead to that fund's performance.
Mean return	Average return
Standard deviation	Standard deviation is a statistical measurement in finance that, when applied to the annual rate of return of an investment, sheds light on the historical volatility of that investment. The greater the standard deviation of securities, the greater the variance between each price and the mean, and the greater the risk with that investment.
Beta	<p>The beta calculation is used to help investors understand whether a stock moves in the same direction as the rest of the market, and how volatile or risky it is compared to the market. For beta to provide any insight, the "market" used as a benchmark should be related to the stock.</p> <p>A stock with a historical beta of 1.5 to the PSEi means that historically, when the PSEi would move up by 1%, the stock would move up by 1.5 x 1% or 1.5%. Conversely, when the PSEi would move down by 1%, the stock would move down by 1.5 x 1% of -1.5%. A high beta means a return higher than the benchmark but also at a higher risk.</p>
Correlation coefficient	A number of 0.70 to just under 1.0 or -0.70 to just larger than -1.0 means that the correlation of a stock to the benchmark is significant and that the stock's beta is meaningful. Any other number would mean a weak correlation and a meaningless beta.
MSCI World Index	A broad global equity index that represents large and mid-cap equity performance across all 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI ACWI Index	The MSCI ACWI Index, MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets. As of December 2019, it covers more than 3,000 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market. The index is built using MSCI's Global Investable Market Index (GIMI) methodology, which is designed to take into account variations reflecting conditions across regions, market cap sizes, sectors, style segments and combinations.
MSCI Emerging Markets Index	Captures large and mid-cap representation across 26 Emerging Markets (EM) countries. With 1,403 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI EM ASEAN Index	Captures large and mid-cap representation across 4 Emerging Markets countries. With 130 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.