



# Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

ISSUE  
2021-10  
21-Mar-05

**Net Asset Value:** Php356,659,755.00  
**Asset category:** 95% Equities; 5% Cash  
**Horizon:** Long-term

Portfolio Returns	21-Mar-05	21-Feb-26
YTD	-4.46%	-5.10%
Rolling 1 Year	-0.81%	-2.37%
Rolling 2-Year	-8.36%	-10.46%

Benchmark Returns	21-Mar-05	21-Feb-26
YTD	-2.90%	-4.27%
Rolling 1-Year	5.88%	3.88%
Rolling 2-Year	-1.66%	-4.16%

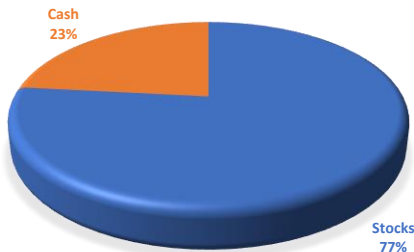
PSEi	21-Mar-05	21-Feb-26
YTD	-3.62%	-4.83%
Rolling 1 Year	0.21%	-1.66%
Rolling 2-Year	-5.31%	-7.77%

## A Word on the Market

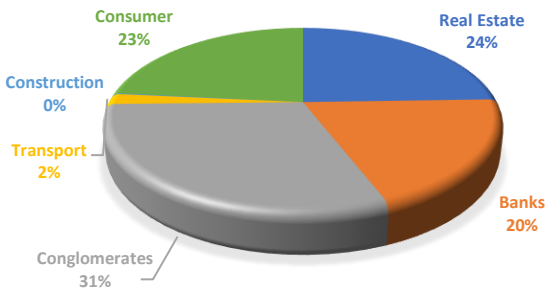
The BSP expects February inflation to settle within the range of 4.3% - 5.1%. According to BSP governor Benjamin Diokno stated that inflation could breach by 4% until the third quarter of 2021. The upward price pressures for the month originate from the continued uptick in global crude oil prices and elevated fish prices.

The banking sector lending decreased for two consecutive months in January, contracting by 2.4% year-on-year to 9 Trillion Pesos. This followed the 0.7% year-on-year decline in December, which was the first contraction since September 2006 when lending dropped by 1.9%. The BSP attributed the soft credit activity to weak demand as banks continued to be risk-averse on concerns over asset quality and profitability. Meanwhile, the S&P Global Rating sees bank lending to resume growth this year after slumping for the first time in 14 years in 2020 due to uncertainties brought by the COVID-19 pandemic.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



## A Word on the Portfolio

Last week, the PSE index increased by 1.27% and close at 6,881.37 as the beginning of vaccinations for COVID-19 and supportive monetary and fiscal policies lifted investor sentiment, clearing off the two-year high inflation result of 4.7% in February.

This week, The PSE index remains to stay above the 200-day moving average, while the right shoulder of the head and shoulder pattern continues to develop and is expected to hit the 6.500 level. Investors continue to be risk-averse over the surge of more than 3,000 new infection cases, one of the highest daily reports in the past four months, and the increased number of COVID-19 patients being admitted to hospitals as reported by the Department of Health (DOH).

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	76.67%	95.00%	-5.94%	-3.07%	0.03%	-2.73%	0.53%	-2.17%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	23.33%	5.00%	0.40%	0.40%	0.60%	0.00%	0.00%	0.60%
Total	100.00%	100.00%	-4.46%	-2.90%	0.64%	-2.73%	0.53%	-1.57%

	CSCEIF	Benchmark
Mean	-0.10%	-0.06%
Std. Dev.	1.15%	1.14%
Beta	0.96	
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.