



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

ISSUE
2021-11
21-Mar-15

Net Asset Value: Php348,367,948.28
Asset category: 95% Equities; 5% Cash
Horizon: Long-term

Portfolio Returns	21-Mar-12	21-Mar-05
YTD	-6.81%	-4.46%
Rolling 1 Year	4.14%	-0.81%
Rolling 3-Year	-8.62%	-8.36%

Benchmark Returns	21-Mar-12	21-Mar-05
YTD	-4.83%	-2.90%
Rolling 1-Year	11.01%	5.88%
Rolling 3-Year	-1.27%	-1.66%

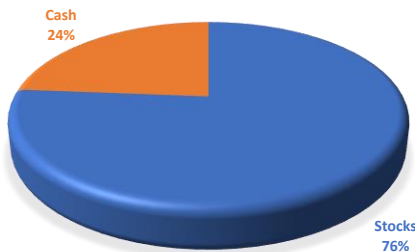
PSEi	21-Mar-12	21-Mar-05
YTD	-5.76%	-3.62%
Rolling 1 Year	5.91%	0.21%
Rolling 3-Year	-7.03%	-5.31%

A Word on the Market

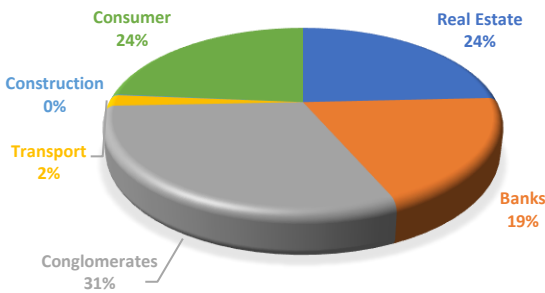
The Senate Committee on Public Services approved the 25-year franchise application of Dito Telecommunity after seeing that the telco delivered on its commitment to reach 37% of the population with an internet speed of at least 27Mbps during its technical audit. While the company is targeting to grab 30% of the Philippine market by its fifth year of operations in 2024 when it is expected to cover 84% of the population. The Management is also optimistic that they can grab a bigger market share with the implementation of the Mobile Number Portability Act, which allows Filipinos to keep their mobile numbers even if they switch to another service provider.

The Philippines' unemployment rate remained unchanged at 8.7% in January from its October level. On the positive side, the labor force participation rates picked up to 60.5% in January from 58.7% in October. Consequently, despite the unemployment rate being flat, the number of employed Filipinos increased to 41.2 Mil from 39.2 Mil on a quarter-on-quarter basis.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



A Word on the Portfolio

This week, the PSE index dropped by 2.22% week-on-week to close at 6,728.55 as daily COVID-19 cases continued to increase last week, hitting their six-month high on Friday at 4,587. The increasing number of cases resulted in the reimposition of curfews in several areas in Metro Manila.

This week we expect the market will continue its downtrend as more COVID-19 cases are being recorded, breaching the 5,000 marks on Saturday. We will continue to hold our cash then park it in a short-term fixed income facility since there is no buying opportunity yet. It's been 1 year since the nationwide lockdown the difference now is the rollout of the vaccination program with the hopes of a faster recovery in the Philippine Economy.

	CSCEIF	Benchmark
Mean	-0.14%	-0.10%
Std. Dev.	1.13%	1.12%
Beta	0.96	
Corr. Coeff.	0.95	

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	76.24%	95.00%	-9.06%	-5.11%	0.05%	-3.76%	0.74%	-2.96%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	23.76%	5.00%	0.40%	0.40%	0.98%	0.00%	0.00%	0.98%
Total	100.00%	100.00%	-6.81%	-4.83%	1.03%	-3.76%	0.74%	-1.98%

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.