



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

ISSUE
2021-13
21-Mar-29

Net Asset Value: Php342,273,126.28
Asset category: 95% Equities; 5% Cash
Horizon: Long-term

Portfolio Returns	21-Mar-26	21-Mar-19
YTD	-8.50%	-9.29%
Rolling 1 Year	27.46%	16.56%
Rolling 3-Year	-8.09%	-9.13%

Benchmark Returns	21-Mar-26	21-Mar-19
YTD	-6.77%	-8.61%
Rolling 1-Year	31.87%	23.93%
Rolling 3-Year	-0.37%	-2.08%

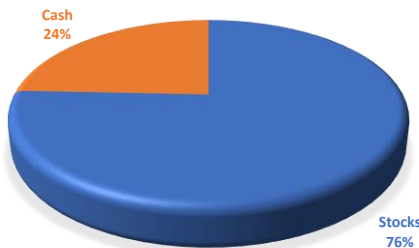
PSEi	21-Mar-26	21-Mar-19
YTD	-8.33%	-9.85%
Rolling 1 Year	30.17%	20.63%
Rolling 3-Year	-6.36%	-7.90%

A Word on the Market

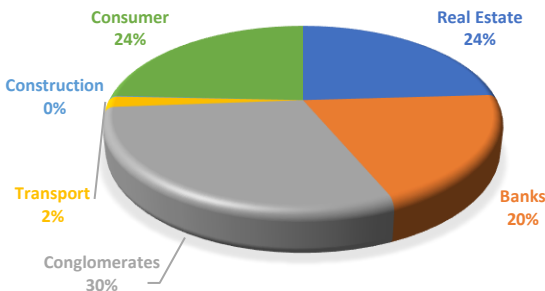
The government decided to keep Metro Manila and four nearby provinces classified under general community quarantine (GCQ) but to imposed additional restrictions to deal with the recent increase in COVID-19 infections. Last Sunday, the government imposed enhanced community quarantine (ECQ) from March 29 to April 4, 2021, in places like the National Capital Region (NCR) and the provinces of Bulacan, Cavite, Laguna, and Rizal to appeal to its citizens to stay at home during the Holy Week season.

Meanwhile, President Duterte signed the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) into law. This lowers the corporate income tax (CIT) rate for large corporations from 30% to 25%. This also lowers the tax rate for small and medium-sized companies to 20%. The lower tax rate is expected to boost the profits of listed companies. Consumer companies that generate most of their business in the Philippines and Telco's will be among the major beneficiaries.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



A Word on the Portfolio

Last week, the PSE index increased by 1.67% and close at 6,544.63, driven by bargain hunting and lifted investor sentiment as the Bangko Sentral ng Pilipinas (BSP) decided to keep its key interest rates unchanged to support economic recovery. The closing price was a retest of the 6,500 level, we are expecting the market to trade in sideways since there is not enough volume to sustain last's week upward momentum.

This week, the market will remain in a downward bias, because Metro Manila and the other four provinces are under enhanced community quarantine (ECQ). While the passage of the CREATE bill will be a positive structural change in the market providing relief to businesses and encouraging foreign investments.