



Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

ISSUE
2021-15
21-Apr-19

Net Asset Value: Php 341,180,211.66

Asset category: 95% Equities; 5% Cash

Horizon: Long-term

Portfolio Returns	21-Apr-19	21-Apr-12
YTD	-8.84%	-7.68%
Rolling 1-Year	12.55%	24.22%
Rolling 3-Year	-7.99%	-7.85%

Benchmark Returns	21-Apr-19	21-Apr-12
YTD	-7.38%	-5.32%
Rolling 1-Year	12.80%	24.61%
Rolling 3-Year	-0.29%	-0.23%

PSEi	21-Apr-19	21-Apr-12
YTD	-9.03%	-8.33%
Rolling 1-Year	12.35%	22.41%
Rolling 3-Year	-6.32%	-6.56%

A Word on the Market

President Duterte eased the lockdown in Metro Manila as well as the nearby provinces to modified enhanced community quarantine (MECQ) from April 12 to 30. One of the bases in the decision to ease the lockdown was the commitment of hospitals to increase COVID-19 beds, especially those in intensive care units. All barred establishments and activities during the two-week strict lockdown may now operate at 50% capacity. However, the following establishments that are not permitted to operate are the entertainment, recreational venues, etc.

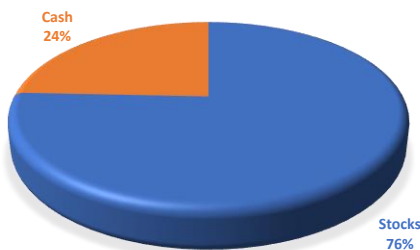
The banking sector's non-performing loans (NPL) continue to increase in February. The asset quality of Philippine banks deteriorated for the second straight months of 2021, as borrowers had difficulty making payments in the middle of the COVID-19 pandemic. The gross non-performing loans (NPL) in February increased by 9.1% month-on-month to P428.1 Billion from January levels. This brought the industry's gross NPL ratio to 4.05%, higher than the 3.70% recorded in January. On the other hand, with the increase in NPLs, the banks' NPL coverage ratio, which measures the allowance for potential losses due to bad loans, declined to 87.3% from 94.6% in the previous month.

A Word on the Portfolio

Last week, the PSE index fell by -0.77% to close at 6,494.81, as investor sentiment was clouded by fear and economic worries in the middle of increasing daily infection, despite the easing of NCR and nearby provinces. Listed companies are also registering negative earnings as the economy continues to suffer from stringent lockdowns.

This week, we expect the market to continue sideways as the Department of Health (DOH) announced more cases of new variants of COVID-19 had been detected in the country. As part of the strategy, we are holding cash, we expect the market to recover, as we see the vaccine rollout reach wider demographics and reach higher numbers. The key here is to come in before the Pandemic ends, not when it ends.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR

