



# Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

ISSUE  
2021-20  
21-May-24

Net Asset Value: Php 330,901,007.62

Asset category: 95% Equities; 5% Cash

Horizon: Long-term

Portfolio Returns	21-May-21	21-May-14
YTD	-11.78%	-11.80%
Rolling 1 Year	12.62%	8.39%
Rolling 3-Year	-8.21%	-8.12%

Benchmark Returns	21-May-21	21-May-14
YTD	-9.52%	-8.72%
Rolling 1-Year	13.94%	12.31%
Rolling 3-Year	-0.55%	0.13%

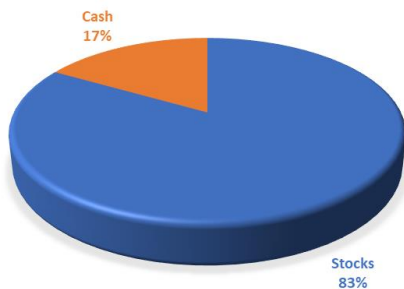
PSEi	21-May-21	21-May-14
YTD	-13.17%	-12.19%
Rolling 1 Year	13.14%	10.61%
Rolling 3-Year	-6.86%	-6.09%

## A Word on the Market

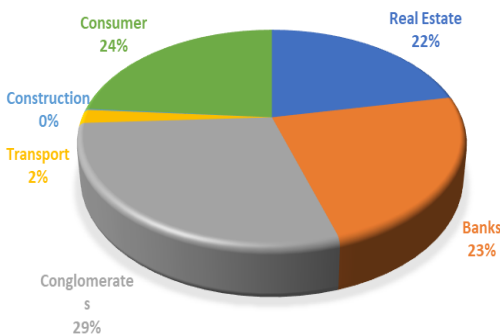
The Philippines GDP slashes growth outlook in the middle of the COVID-19 pandemic. The Development Budget Coordination Committee (DBCC) downgraded the GDP target in 2021 to 6-7% from 6.5-7.5%. Due to the emergence of new COVID-19 variants and the reimposition of enhanced community quarantine (ECQ) in the National Capital Region (NCR) Plus area during the second quarter. The DBCC noted that while the effects of the COVID-19 pandemic may remain in the short term, it is optimistic that the economy will return to its upward growth trajectory starting this year. This can be achieved through the accelerated implementation of the country's recovery package and rollout of the national vaccination deployment to cover a broader segment of the population.

Meanwhile, in the Banking Sector, the Bangko Sentral ng Pilipinas (BSP) has approved the guidelines for the implementation of the Financial Institution Strategic Transfer (FIST) law. FIST was signed into law in February to help financial institutions clean their balance sheets after the stress caused by the COVID-19 crisis. The BSP expects the law to help reduce the banking system's non-performing loan ratio by about 0.63 to 0.73 percentage points.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



## A Word on the Portfolio

Last week, the PSE index dropped 1.12% to close at 6,199.25. Despite positive remittance numbers for Mar 2021 released last week by 5.6% year-on-year as well as the lowering number of daily COVID-19 cases in Metro Manila, the rising number of cases in Visayas and Mindanao continue to hamper improvement in market sentiment.

This week, we expect the market to trade sideways with a downward bias then it may go back to the 6,000 level since it is already gone through 6,080 last May 14, 2021. Within that 6,000 level, the head and shoulder pattern will be complete. In Addition, Investors continue to look for positive news on the country's vaccination efforts as well as improvements in the number of daily COVID-19 cases.