



Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

ISSUE
2021-26
21-July-05

Net Asset Value: Php 362,871,674.39

Asset category: 95% Equities; 5% Cash

Horizon: Long-term

Portfolio Returns	21-June-25	21-June-25
YTD	-2.82%	-2.92%
Rolling 1 Year	11.37%	9.91%
Rolling 3-Year	-3.61%	-2.96%

Benchmark Returns	21-June-25	21-June-25
YTD	1.81%	1.06%
Rolling 1-Year	15.36%	15.38%
Rolling 3-Year	4.50%	5.74%

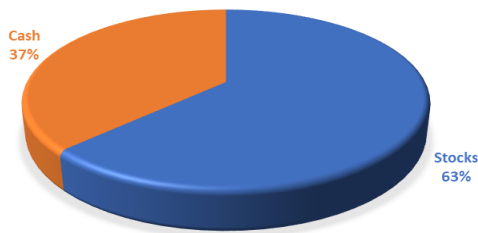
PSEi	21-June-25	21-June-25
YTD	-1.93%	-2.65%
Rolling 1 Year	12.76%	12.31%
Rolling 3-Year	-1.23%	-0.27%

A Word on the Market

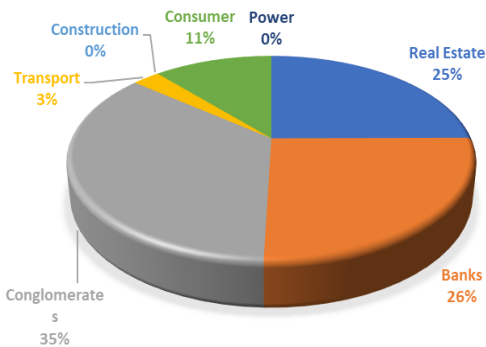
The BSP projects inflation in June to settle within the 3.9% to 4.7% range. The BSP inflation projection for the month is at 4.3%. If realized, this will be slower than the previous data at 4.5% in May. The central bank noted that higher prices of domestic petroleum products, the upward adjustment in Meralco electricity rates, and a slightly weaker peso are the significant source of upward price pressures for the month. These could offset the decline in prices, such as rice, meat, and fruits due to improved supply conditions.

Manufacturing activity in the Philippines expanded in June, snapping a two-month losing streak, as demand and production picked up after quarantine restrictions were loosened. The Philippine Manufacturing Purchasing Managers' Index (PMI) rose to 50.8 last month from 49.9 in May, the first time since March that the index breached the 50 neutral mark that separates contraction from expansion. The Philippine PMI also exceeded the region's average of 49, which fell from 51.8 in May. According to IHS Markit, the PMI recovery was only marginal due to varying levels of quarantine restrictions in some parts of the country, including the capital region.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



A Word on the Portfolio

Last week, the PSE index increased higher by 0.74% to close at 7,002.26, driven by positive sentiment in the middle of improving macro data. This includes the Philippine Manufacturing Purchasing Managers' Index (PMI). In addition, the preliminary data from Philippine Statistic Authority (PSA) showed employment rate improved to 92.3% in May compared to April at 91.3%.

This week, we expect the market to continue to trade sideways with an upward momentum as data released by the Bangko Sentral ng Pilipinas showed the country's consumer sentiment continued to improve in 2Q21. The overall confidence index (CI) for the quarter increased to -30.9% compared to 1Q21 of -34.7%. Meanwhile, the CI for 3Q21 reverted to positive territory at 1.3% while the CI for the next 12 months rose to 19.8%. In addition, investors await the inflation print to be released on Tuesday. Economists forecast inflation to have eased in June and an accommodative monetary policy to remain moving forward.