



Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

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21-Oct-11

Net Asset Value: Php 346,010,955.41
Asset category: 95% Equities; 5% Cash
Horizon: Long-term

Portfolio Returns	21-Oct-08	21-Oct-01
YTD	-7.59%	-7.73%
Rolling 1-Year	11.60%	11.91%
Rolling 3-Year	-5.02%	-5.54%

Benchmark Returns	21-Oct-08	21-Oct-01
YTD	7.75%	3.88%
Rolling 1-Year	29.70%	26.42%
Rolling 3-Year	5.93%	3.98%

PSEi	21-Oct-08	21-Oct-01
YTD	-3.26%	-3.03%
Rolling 1-Year	16.85%	18.52%
Rolling 3-Year	-0.81%	-1.64%

A Word on the Market

The September inflation slows down to 4.8% from 4.9% in August. This is lower than the consensus forecast of 5.1%, although it remains above BSP's 2-4% target this year. The slower inflation figure in September was mainly caused by transport inflation which lessened to 5.2% during the month from 7.2% in the previous month despite the uptick in oil prices. The slower-than-expected increase in inflation should give the BSP room to keep interest rates steady. The previous statement of the BSP is to maintain its accommodative monetary policy given that the elevated inflation is largely supply-side driven.

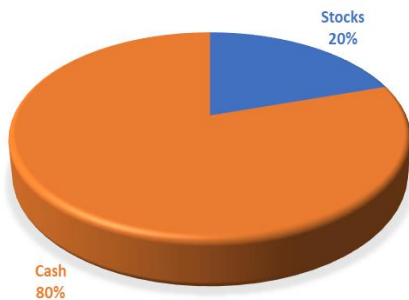
Moody's Analytics has kept its Philippine GDP growth forecast for this year 2021 at 4%, which is the low end of the government's full-year target at 4-5%. However, Moody's reduced its forecast for the Philippine GDP to 6.4% in 2022 from 8.8%; this is below the government's 7-9% GDP growth target range. The reason behind is due to the expectation the number of COVID-19 infection to remain high.

A Word on the Portfolio

Last week, the PSE index dropped and closed at 6,906.86 as funds observed with the inclusion of WLCON, replaying FGEN, in the PSE Index effective October 11, 2021. Moreover, the index was further dragged down by CNVRG as investors positioned ahead of the expiration of the 1.19bn locked-up shares of Coherent Cloud Investments B.V., equivalent to 15.8% of CNVRG's total outstanding shares, last October 8, 2021.

This week, we expect the market to trade sideways with an upward bias as investors price in the easing of quarantine requirements for travelers. On the international front, investors will be on the watch for the release of U.S. inflation for September, FOMC Minutes, as well as earnings releases in the U.S. markets.

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR

