



Purpose-driven Investing

A Weekly Newsletter for CLIMBS Mutual Fund

ISSUE
2021-48
21-Dec-13

Net Asset Value: Php 351,814,605.70

Asset category: 95% Equities; 5% Cash

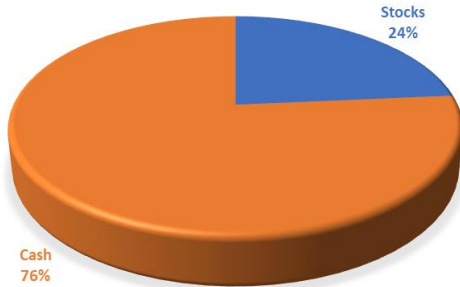
Horizon: Long-term

Portfolio Returns	21-Dec-10	21-Dec-03
YTD	-6.38%	-6.56%
Rolling 1 Year	-7.17%	-5.66%
Rolling 3-Year	-5.32%	-5.73%

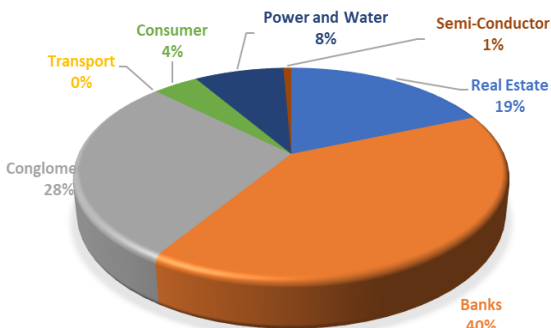
Benchmark Returns	21-Dec-10	21-Dec-03
YTD	12.61%	10.84%
Rolling 1-Year	14.35%	13.12%
Rolling 3-Year	5.13%	4.18%

PSEi	21-Dec-10	21-Dec-03
YTD	0.73%	-1.18%
Rolling 1 Year	1.26%	-0.36%
Rolling 3-Year	-1.22%	-2.16%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



Net Asset Value Per Share (NAVPS): **0.7532**

A Word on the Market

The November inflation slowed to 4.2% from 4.6% in the previous month. Although this was higher than the BSP's monthly forecast range of 3.3% - 4.1%. Likewise, the year-to-date average inflation rate of 4.5% remains above the Government's annual inflation target of 2-4% for the year. The slower inflation in November was mainly due to a slowdown in inflation for the heavily-weighted food and non-alcoholic beverages index which slid at 3.9%.

Meanwhile, the unemployment rate in the country reduced to 7.4% or 3.5 million in October, the third-lowest reported in 2021. The figure is an improvement from the highest rate this year at 8.9% or 4.25 million in September. Despite the improvement in joblessness, the quality of jobs appears to have decreased as the underemployment rate increased to 16.1% in October.

A Word on the Portfolio

Last week, the PSE index rose by 1.94% and close at 7,192.12 as fears of the Omicron variant subside. On the positive side, the World Bank upgraded its GDP growth forecast for the Philippines to 5.3% from 4.3% after the economy grew faster than expected during 3Q20.

This week, we expect the market to trade lower as U.S inflation for November 2021 surged to a nearly 40-year high at 6.8% from 1.4% last January 2021. It increases fear and uncertainty in the U.S economy as the U.S Fed's faster tapering. As investors' stay vigilant for any surprises in the local and U.S interest rate decision this December 16, 2021. In this scenario the Fed is on the edge, 1) if they increase the interest rate to ease inflation, it affects the global stock market because most the companies are still recovering due to the COVID-19 pandemic, their debt will be bloated. 2) if the Fed won't raise the interest rate, inflation will continue to increase, the cost of goods will be more expensive.