



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

ISSUE
2020-05
20-Feb-03

Net Asset Value: **Php347,849,743.97**

Asset category: **Equities**

Horizon: **Long-term**

Portfolio Returns	20-Jan-31
YTD	-8.65%
Rolling 1 Year	-13.71%

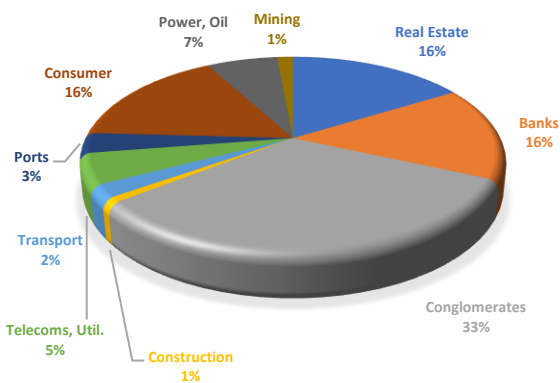
Benchmark Returns	20-Jan-31
YTD	-7.29%
Rolling 1 Year	-6.12%

PSEi Returns	20-Jan-31
YTD	-7.86%
Rolling 1 Year	-9.74%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



	CSCEIF	Benchmark
Mean	-0.03%	0.01%
Std. Dev.	1.03%	0.96%
Beta	0.74	
Corr. Coeff.	0.69	

A Word on the Market

The market was in freefall last week mainly because of the fear raised by the 2019 nCoV ARD (novel coronavirus acute respiratory disease), which had its number of infected people growing by leaps and bounds every day and across many countries.

Deaths caused by the 2019 nCoV ARD were also rising albeit being still just over 2% of the total number of infected. The percentage is lower than what was experienced under SARs and MERs. What was jarring at least for the Philippines is that the country reported its first 2019 nCoV ARD case during week with another one reported over the weekend. The one reported over the weekend also died and because the first death from the virus outside of China.

The virus is still sure to hog the headlines in the coming week, eclipsing all others, especially since the WHO (World Health Organization) warned of local outbreaks. Any market recovery will therefore be just the bounce from oversold levels but not the signal that the worst is over.

A Word on the Portfolio

A ranking of a handful of major Western and Asian markets shows that both on relative attractiveness of historical P/E and potential upside should a market rally back up to its 52-week high, the PSE is on top of the list.

This is not to say, however, that the PSE will move independently of the other markets. In fact, with the usual low allocation given to the Philippines by global equity funds coupled with the ongoing risks of 2019 nCoV ARD, local governance concerns and a larger downgrade of GDP growth forecasts for the world, the PSEi is likely to just trudge along with the general weakness of most other markets, regardless of attractive fundamentals.

Technically, the PSEi's immediate support is at 7,000 with the next support at 6,500.

Still, the overall recommendation is still to take a wait and see attitude.

2020 Performance Attribution Analysis

	Allocation		Returns		Attribution to			Total
	Portfolio (a)	Benchmark (b)	Portfolio (c)	Benchmark (d)	Allocation (e) (a-b)*(d-benchmark return)	Selection (f) (c-d)*b	Interaction (g) (a-b)*(c-d)	
Equities	93.47%	95.00%	-9.47%	-7.84%	0.12%	-1.55%	0.02%	-1.41%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	6.53%	5.00%	3.20%	3.20%	0.05%	0.00%	0.00%	0.05%
Total	100.00%	100.00%	-8.65%	-7.29%	0.17%	-1.55%	0.02%	-1.36%