



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

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20-Feb-10

Net Asset Value: **Php369,378,434.13**

Asset category: **Equities**

Horizon: **Long-term**

Portfolio Returns	20-Feb-07
YTD	-5.65%
Rolling 1 Year	-11.86%

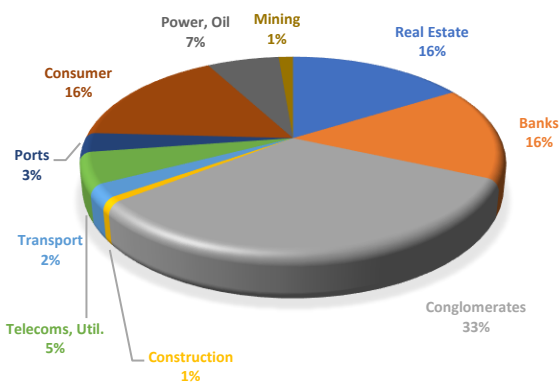
Benchmark Returns	20-Feb-07
YTD	-5.17%
Rolling 1 Year	-4.73%

PSEi Returns	20-Feb-07
YTD	-3.94%
Rolling 1 Year	-6.84%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



	CSCEIF	Benchmark
Mean	-0.03%	0.01%
Std. Dev.	1.03%	0.97%
Beta	0.74	
Corr. Coeff.	0.70	

A Word on the Market

The bad news with the 2019 nCoV ARD is that the total number of infections and fatalities rose above the peaks posted during the SARs event. On top of those, a significant number of samples from persons under investigation are still to be tested. The good news is that the rate of increase in infections has slowed down while the fatality ratio remains under 2.5%, much lower than those for SARs and MERs CoV.

But uncertainty is indeed one of investors' top enemy. Taking out that uncertainty like the containment and development of a possible vaccine against the 2019 nCoV ARD would alleviate a lot of fears of investors.

One such uncertainty, the acquittal of President Trump by the US Senate allowed the US markets to rebound in a significant way. This is not to say that investors are playing politics. Investors just do not like the uncertainty that came with the impeached of President Trump, especially if it were to drag on. The lift in the US markets also led to a recovery in other markets including in the Philippines.

A Word on the Portfolio

If the positivity in the market continues, the PSEi may be looking at an upside of up to 7,700. On the other hand, lack of new developments and even the reporting of slightly negative news may keep the PSEi range-bound between the 7,400 to 7,600 level with major support at 7,200.

It should be noted, however, that while the uncertainties spawned by the 2019 nCoV ARD will lead to weakness in the local economy and corporate bottom line, that weakness will be temporary and even perhaps contained within the first quarter of 2020.

In the meantime, shrewd companies are pouncing on the opportunity to raise capital given that interest rates have not spiked, especially with the rate cut made by the Bangko Sentral ng Pilipinas last week. All other things being equal, such are companies that should be added to the portfolio.

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	91.10%	95.00%	-6.40%	-5.55%	0.22%	-0.81%	0.03%	-0.56%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	8.90%	5.00%	2.00%	2.00%	0.08%	0.00%	0.00%	0.08%
Total	100.00%	100.00%	-5.65%	-5.17%	0.29%	-0.81%	0.03%	-0.48%