



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

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Net Asset Value: **Php359,604,588.75**

Asset category: **Equities**

Horizon: **Long-term**

Portfolio Returns	20-Feb-14
YTD	-8.43%
Rolling 1 Year	-12.54%

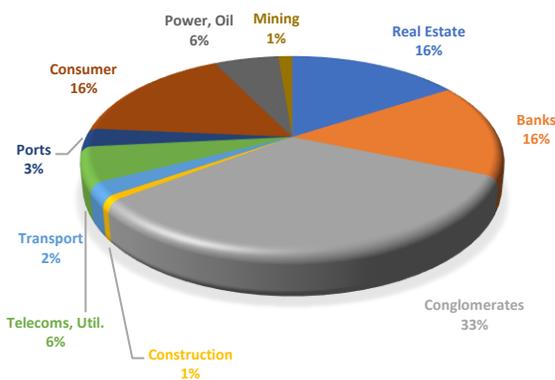
Benchmark Returns	20-Feb-14
YTD	-7.80%
Rolling 1 Year	-5.83%

PSEi Returns	20-Feb-14
YTD	-6.82%
Rolling 1 Year	-8.06%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



	CSCEIF	Benchmark
Mean	-0.03%	0.00%
Std. Dev.	1.03%	0.96%
Beta	0.75	
Corr. Coeff.	0.70	

A Word on the Market

Based on the 52-week range of indexes, it looks like the TIP-M markets (i.e. Thailand, Indonesia, Philippines & Malaysia) are at the bottom of their respective price ranges while the rest of the world are near or at their highs. Even China and Hong Kong, which have been hit hard by CoVid-19 are in the middle of their respective 52-week price ranges.

However, the MSCI (i.e. Morgan Stanley Capital International) ASEAN index shows that for the past 19 years up to end 2019, the TIP-M returned 10.43% on a net annual compounded basis vs. the broader MSCI Emerging Markets Index's 8.82% and the MSCI ACWI's (i.e. All Country World Index) 5.52%. Even the MSCI ASEAN's Sharpe ratio (i.e. a measure of risk-adjusted return) is the highest among the three indexes. It is just that the ASEAN fell out of favor in 2018 up to early 2020.

So, while there are positive developments that may spur interest in the PSE like the continued dovish sentiment of the Bangko Sentral ng Pilipinas, the country's rosy economic growth forecasts combined with benign inflation, the ASEAN region's falling out of favor since 2018 (vs. gains in more developed and less risky markets) will always win out. The other negatives are just being used as excuses.

A Word on the Portfolio

Despite the TIP-M falling out of favor, the region has been known to bounce back, and in many times in a big way. And while the Philippines comprises only 12.77% of the MSCI ASEAN index, rotational buying into the region will spur interest in the rest of the PSE-listed companies. It should also be noted that the MSCI ASEAN produced the highest dividend yield among the three indexes since 2009.

So, the goal is to keep invested in the same banking, real estate and consumer sectors, which are the first likely targets of renewed interest. Including dividend paying stocks will give a boost.

ANNUAL PERFORMANCE (%)

Year	MSCI EM ASEAN	MSCI Emerging Markets	MSCI ACWI
2019	5.89	18.42	26.60
2018	-8.25	-14.57	-9.41
2017	27.29	37.28	23.97
2016	8.18	11.19	7.86
2015	-18.92	-14.92	-2.36
2014	8.02	-2.19	4.16
2013	-7.95	-2.60	22.80
2012	18.08	18.22	16.13
2011	1.34	-18.42	-7.35
2010	39.69	18.88	12.67
2009	75.01	78.51	34.63
2008	-47.95	-53.33	-42.19
2007	47.78	39.42	11.66
2006	39.06	32.14	20.95

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	91.06%	95.00%	-9.46%	-8.32%	0.33%	-1.08%	0.05%	-0.71%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	8.94%	5.00%	2.00%	2.00%	0.08%	0.00%	0.00%	0.08%
Total	100.00%	100.00%	-8.43%	-7.80%	0.41%	-1.08%	0.05%	-0.63%