



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

ISSUE
2020-10
20-Mar-09

Net Asset Value: **Php333,322,960.73**

Asset category: **Equities**

Horizon: **Long-term**

Portfolio Returns	20-Mar-06
YTD	-15.31%
Rolling 1 Year	-16.97%

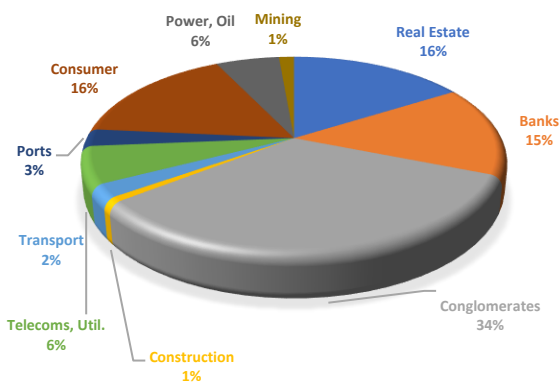
Benchmark Returns	20-Mar-06
YTD	-13.42%
Rolling 1 Year	-9.74%

PSEi Returns	20-Mar-06
YTD	-13.37%
Rolling 1 Year	-11.74%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



	CSCEIF	Benchmark
Mean	-0.05%	-0.01%
Std. Dev.	1.05%	0.98%
Beta	0.76	
Corr. Coeff.	0.71	

A Word on the Market

The past week was relatively uneventful compared to the weeks before it. Nonetheless, the past week was foreboding as more and more cases of CoVid-19 infections were being reported in countries like South Korea, Japan, Iran, Italy and even the United States.

CoVid-19 has dampened economic activity so much with its disruption of supplies that oil prices dropped by 10% over the weekend. Part of the reason for the drop was the disagreement between Saudi Arabia and Russia on whether to cut production to shore up oil prices or to just let market forces work to put competitors with high cost of operations out of business. The poor sentiment on the oil front is sure to spill over to other industries around the globe as it will be seen as a sign of things to come.

A Word on the Portfolio

As expected, other major countries are only now experiencing heightened attacks by a hardly visible biological enemy. The world is headed for a recession much like in 2007. In that year, hardly any ships were moving in the Singapore harbor. It took well over a year for stock prices to recover and much longer for the underlying economies.

But we are confident that the resolve that countries have to restart their flagging economies will result in an accelerated resolution to CoVid-19. And since investors are always forward-looking, capital markets will be the first to recover, followed closely by their underlying economies.

We can conservatively expect a recovery in the markets by the middle of 2021 or roughly about 1 ½ years since the onslaught of CoVid-19 as it takes usually that long to develop a vaccine. And while it is too late to sell, there is plenty of time to rethink the portfolio positions for rebalancing later on into higher beta stocks for quicker recovery.

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	90.24%	95.00%	-17.18%	-14.23%	0.68%	-2.80%	0.14%	-1.98%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	9.76%	5.00%	2.00%	2.00%	0.10%	0.00%	0.00%	0.10%
Total	100.00%	100.00%	-15.31%	-13.42%	0.77%	-2.80%	0.14%	-1.89%