Net Asset Value: **Php270,954,641.70**
Asset category: **Equities**
Horizon: **Long-term**

Portfolio Returns	20-Mar-27
YTD	-33.44%
Rolling 1 Year	-36.55%
Rolling 2-Year	-20.57%

Benchmark Returns	20-Mar-27
YTD	-29.10%
Rolling 1-Year	-28.36%
Rolling 2-Year	-11.24%

PSEi Returns	20-Mar-27
YTD	-32.61%
Rolling 1 Year	-33.39%
Rolling 2-Year	-18.47%

PORTFOLIO WEIGHTS BY ASSET CLASS

Cash 37%
Stocks 63%
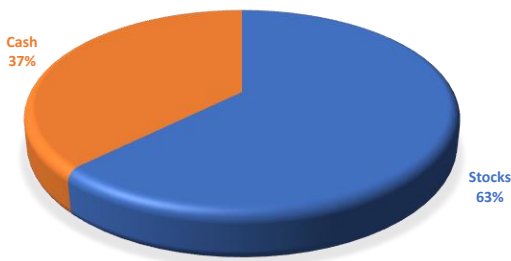
PORTFOLIO WEIGHTS BY SECTOR

Consumer 14%
Ports 4%
Transport 2%
Real Estate 22%
Banks 21%
Conglomerates 37%
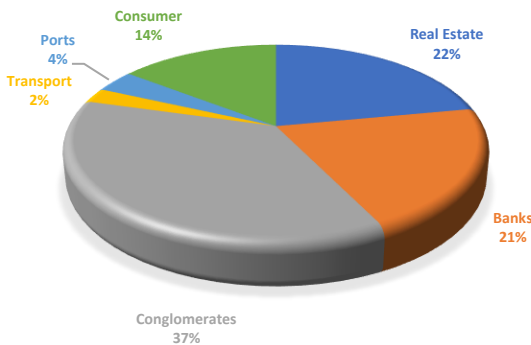
	CSCEIF	Benchmark
Mean	-0.09%	-0.05%
Std. Dev.	1.26%	1.24%
Beta	0.82	
Corr. Coeff.	0.81	

A Word on the Market

The past week saw the PSEi recover by over 10%, week-on-week, as a slew of stimulus packages and control measures were either approved or implemented by governments around the world. In the US, the largest stimulus package ever passed by the US Congress, USD2 trillion, was signed into law. In the Philippines a bill granting President Duterte emergency powers to deal with CoVid-19 was also passed and signed into law.

However, the week-on-week gain fails to recognize that the rally may just be a bear market rally, a short-term recovery in prices that will eventually reverse course due to the overwhelming negative developments. The drop last Friday both here and in New York was, in fact a somber reminder that the world is not yet out of the proverbial woods.

Private sector economists, multi-lateral agencies and even government officials have also begun to estimate the impact of CoVid-19 on the local economy. The worst estimate so far was that of NEDA, which claimed that the country might even go into economic contraction in 2020 because of CoVid-19.

A Word on the Portfolio

Actions of governments around the world, particularly those with advanced economies with delayed response to CoVid-19 (i.e. US and UK), are some of the signs to look for to know that the downward inflection point of CoVid-19 infections is nearing. To be sure, infections will still rise, and markets will continue to fall. But the actions of governments give comfort that the bottom might be near.

So, in an attempt to minimize further losses and position for the recovery that is sure to come (i.e. it is just a matter of when), the recommended strategy is to let go of the laggards in the portfolio, limit the portfolio exposure to around 10 issues and keep the proceeds in short- term deposits first until the continuation of the upward inflection point for the PSE manifests itself.

The stocks that will be the immediate beneficiaries of the expected recovery in the stock market are those of companies in the food manufacturing, property and banking sectors. In particular, these will be the stocks that possess a beta higher than 1x vs. the PSEi, and/or a potential net gain of at least 100% for the summation of their simulated price movement relative to their respective 52-week highs and lows.

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)	(h)
Equities	62.63%	95.00%	-54.64%	-30.74%	9.95%	-22.70%	7.74%	-5.02%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	37.37%	5.00%	2.10%	2.10%	0.68%	0.00%	0.00%	0.68%
Total	100.00%	100.00%	-33.44%	-29.10%	10.63%	-22.70%	7.74%	-4.34%

Definition of Terms

Investment return	That one rate of return that would grow the value of an investment from one of its past prices to its current price level. This return is also known as the compound annual growth rate (CAGR) or effective return.
YTD	Year-to-date return or the return measured by comparing the current price to the price at the beginning of the corresponding calendar year
Rolling 1-year return	The return measured by comparing the current price to the price exactly one calendar year ago.
Rolling 3-year return	The return measured by comparing the current price to the price exactly three calendar years ago.
Rolling 5-year return	The return measured by comparing the current price to the price exactly five calendar years ago.
Performance attribution analysis	Attribution analysis is a method for evaluating the performance of a portfolio or fund manager. The method focuses on three factors: the manager's investment style, their specific stock picks and the market timing of those decisions. It attempts to provide a quantitative analysis of the aspects of a fund manager's investment selections and philosophy that lead to that fund's performance.
Mean return	Average return
Standard deviation	Standard deviation is a statistical measurement in finance that, when applied to the annual rate of return of an investment, sheds light on the historical volatility of that investment. The greater the standard deviation of securities, the greater the variance between each price and the mean, and the greater the risk with that investment.
Beta	The beta calculation is used to help investors understand whether a stock moves in the same direction as the rest of the market, and how volatile or risky it is compared to the market. For beta to provide any insight, the "market" used as a benchmark should be related to the stock. A stock with a historical beta of 1.5 to the PSEi means that historically, when the PSEi would move up by 1%, the stock would move up by 1.5 x 1% or 1.5%. Conversely, when the PSEi would move down by 1%, the stock would move down by 1.5 x 1% of -1.5%. A high beta means a return higher than the benchmark but also at a higher risk.
Correlation coefficient	A number of 0.70 to just under 1.0 or -0.70 to just larger than -1.0 means that the correlation of a stock to the benchmark is significant and that the stock's beta is meaningful. Any other number would mean a weak correlation and a meaningless beta.

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