



Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

ISSUE
2020-21
20-May-26

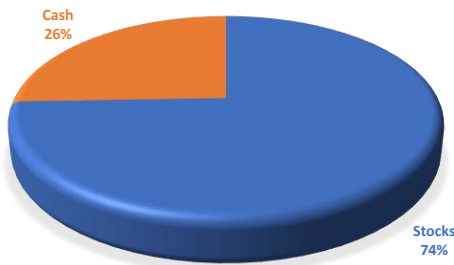
Net Asset Value: **Php288,238,641.11**
Asset category: **Equities (Aggressive)**
Horizon: **Long-term**

Portfolio Returns	20-May-22
YTD	-29.33%
Rolling 1 Year	-31.22%
Rolling 2-Year	-16.75%

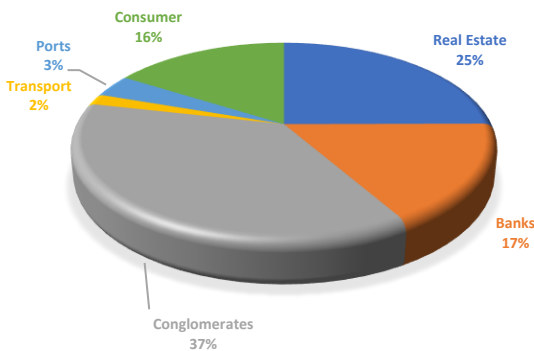
Benchmark Returns	20-May-22
YTD	-23.47%
Rolling 1-Year	-21.71%
Rolling 2-Year	-6.63%

20-May-15	20-May-22
YTD	-29.12%
Rolling 1 Year	-28.26%
Rolling 2-Year	-14.95%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



	CSCEIF	Benchmark
Mean	-0.07%	-0.02%
Std. Dev.	1.31%	1.32%
Beta	0.81	
Corr. Coeff.	0.82	

A Word on the Market

Again, the PSEi was dead in the water last week with no strong developments to drive it in any direction. CoVid-19 was still the top news item that has kept the markets in limbo while the vaccine for SARS coronavirus II and cure for CoVid-19 are being awaited.

This time around, even the weekly gain of 3.3% for the DJIA was not enough the power the local stock market as global money was more focused on the US economy as the latter cautiously reopened. At the same time, there is fear that gains in the US stock market would be tentative as the forced reopening of some States will lead to a resurgence of infections in addition to seasonal comeback of CoVid-19 in the Fall.

A Word on the Portfolio

The past week was not a particularly good one for the Fund as its underperformance versus its benchmark and the PSEi widened to 7.8% and 4.2%, respectively (using March 19, 2020 as the base date when the Fund underwent rebalancing due to CoVid-19). Such underperformance had already gone down to 6.4% and 3.1% versus the Fund's benchmark and the PSEi, respectively in the prior week. The height of underperformance was 9.7% and 8.4% versus the Fund's benchmark and the PSEi, respectively.

Nevertheless, CIMAC is confident that the stop in the Fund's recovery last week is temporary and that a faster recovery will resume once the lockdown in NCR is further reduced to GCQ.

2020 Performance Attribution Analysis

	Allocation		Returns		Attribution to			Total
	Portfolio (a)	Benchmark (b)	Portfolio (c)	Benchmark (d)	Allocation (e)	Selection (f)	Interaction (g)	
					(a-b)*(d-benchmark return)	(c-d)*b	(a-b)*(c-d)	
Equities	74.45%	95.00%	-40.11%	-24.82%	5.10%	-14.53%	3.14%	-6.29%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	25.55%	5.00%	2.10%	2.10%	0.43%	0.00%	0.00%	0.43%
Total	100.00%	100.00%	-29.33%	-23.47%	5.53%	-14.53%	3.14%	-5.85%

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	<p>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.</p> <p>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.</p>
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.