Net Asset Value: **Php317,507,053.69**
Asset category: **Equities (Aggressive)**
Horizon: **Long-term**

Portfolio Returns	20-Jul-10
YTD	-23.01%
Rolling 1 Year	-27.40%
Rolling 2-Year	-10.47%

Benchmark Returns	20-Jul-10
YTD	-16.66%
Rolling 1-Year	-17.58%
Rolling 2-Year	-0.47%

20-May-15	20-Jul-10
YTD	-20.70%
Rolling 1 Year	-22.94%
Rolling 2-Year	-7.14%

PORTFOLIO WEIGHTS BY ASSET CLASS

Cash 25%
Stocks 75%
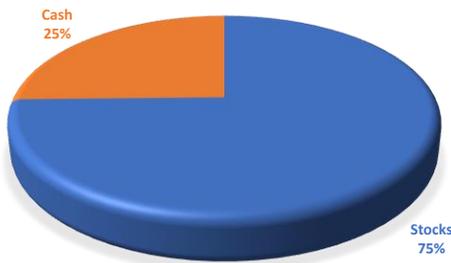
PORTFOLIO WEIGHTS BY SECTOR

Consumer 19%
Ports 4%
Transport 2%
Real Estate 24%
Banks 18%
Conglomerates 33%
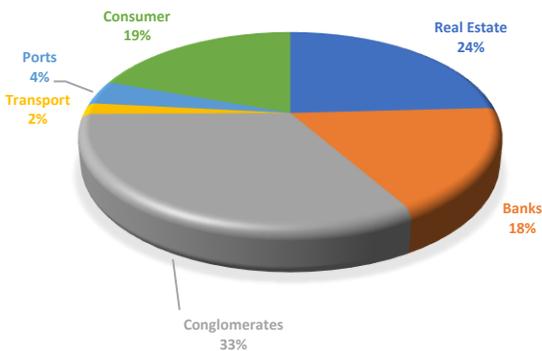
A Word on the Market

The PSEi decoupled from the world's relatively flat performance last week with a week-on-week decline of 2.8%.

The "elephant in the room" for investors in the Philippine stock market was the growing number of CoVid-19 cases, which placed the country as the second among Southeast Asian countries with the most number of confirmed cases. The government's continuous moves to re-open the economy played a large part is such upswing in number of cases.

The looming denial by the House of Representatives of the renewal of the franchise of ABS-CBN, a PSE-listed company, also led fears of government intervention in private business to resurface.

By the week's end there was Php5.7 billion in net foreign selling albeit on the lower end of the range for total trading value.

A Word on the Portfolio

The possibility that CoVid-19 cases in the United States is going to hit 100,000 per day does not augur well for trading in the coming week. Combined with the equally dire UP projection that Philippine CoVid-19 cases may hit 100,000 by end August 2020 only makes for a weak stock market in the near future.

With the prospect of weaker prices, CIMAC is definitely keeping the CSCEIF's proverbial powder dry in anticipation of better entry price levels. CIMAC is of the opinion that there will likely be a recovery by early 2021 and that the current seemingly bleak situation is just an opportunity to buy low.

(Correction: We stated in last week's newsletter that UP was projecting CoVid-19 cases to hit 60,000 by end August 2020. The said projection was actually for end July 2020.)

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	74.66%	95.00%	-31.12%	-17.58%	3.58%	-12.86%	2.75%	-6.53%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	25.34%	5.00%	0.90%	0.90%	0.18%	0.00%	0.00%	0.18%
Total	100.00%	100.00%	-23.01%	-16.66%	3.76%	-12.86%	2.75%	-6.35%

	CSCEIF	Benchmark
Mean	-0.05%	-0.01%
Std. Dev.	1.35%	1.35%
Beta	0.82	
Corr. Coeff	0.81	

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.
MSCI World Index	A broad global equity index that represents large and mid-cap equity performance across all 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI ACWI Index	The MSCI ACWI Index, MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets. As of December 2019, it covers more than 3,000 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market. The index is built using MSCI's Global Investable Market Index (GIMI) methodology, which is designed to take into account variations reflecting conditions across regions, market cap sizes, sectors, style segments and combinations.
MSCI Emerging Markets Index	Captures large and mid-cap representation across 26 Emerging Markets (EM) countries. With 1,403 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI EM ASEAN Index	Captures large and mid-cap representation across 4 Emerging Markets countries. With 130 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

CLIMBS Investment Management and Advisory Corporation
CLIMBS Building, Tiano corner Pacana Streets, Cagayan de Oro City, Misamis Oriental
info@cimac.ph

CLIMBS Investment Management and Advisory Corporation
CLIMBS Building, Tiano corner Pacana Streets, Cagayan de Oro City, Misamis Oriental
info@cimac.ph