



# Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

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20-Oct-26

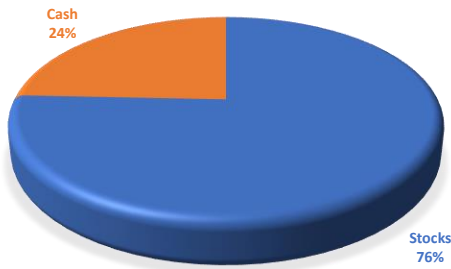
Net Asset Value: Php333,603,330.46  
Asset category: 95% Equities; 5% Cash  
Horizon: Long-term

Portfolio Returns	20-Oct-09	20-Oct-09
YTD	-18.76%	-25.55%
Rolling 1 Year	-23.63%	-29.16%
Rolling 2-Year	-8.80%	-11.26%

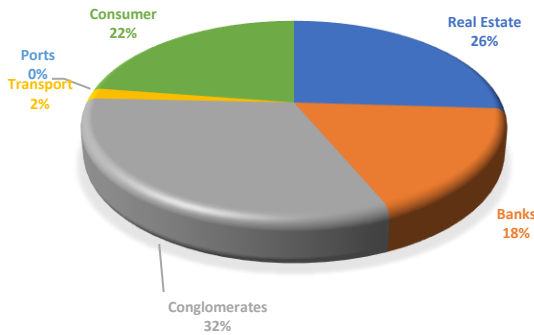
Benchmark Returns	20-Oct-09	20-Oct-09
YTD	-13.59%	-20.74%
Rolling 1-Year	-13.23%	-19.34%
Rolling 2-Year	-0.94%	-3.35%

PSEi	20-Oct-09	20-Oct-09
YTD	-17.03%	-24.53%
Rolling 1 Year	-18.49%	-24.77%
Rolling 2-Year	-5.34%	-7.72%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



	CSCEIF	Benchmark
Mean	-0.04%	0.00%
Std. Dev.	1.32%	1.33%
Beta	0.82	
Corr. Coeff	0.82	

## A Word on the Market

There was still an absence of direction leading news last week. However, the PSEi defied expectation by posting five straight days of gains. The local broad barometer not only posted a 9.9% week-on-week gain, it also moved to well past the 6,000 psychological barrier and brought in a net buying position for foreigners for the week.

Not only did the PSEi provide a stellar performance last week, it also outperformed by a wide margin many Asia-Pacific stock markets tracked by Bloomberg on a one month basis. The question now is whether the upward trend will continue.

Aiding the rise of the PSEi is the renewed interest in the TIPS (i.e. Thailand, Indonesia, Philippines Singapore) markets, which for the most part in 2019 fell out of favor with investors. The only exception to the renewed interest in the TIPS markets is Thailand, which is undergoing political unrest following demands by protesters to diminish the power of their monarch.

What is likely is that the favorable attention given to the TIPS markets will continue in the coming week and at least provide support at current levels.

## A Word on the Portfolio

Last week, the PSE Index surged higher by 9.93% for the 5th consecutive days to close at 6,484.06, coming from the optimistic outlook of local and foreign investors. The optimism is driven by the lifting of non-essential travel among tourist destinations, loosening of aged based quarantine restrictions, the approval of the Department of Tourism (DOT) for hotels in areas under general community quarantine (GCQ), and modified GCQ (MGCQ) to operate at 100% capacity and the sustained downtrend of new local COVID-19 cases based on a 30-day average.

This week, we expect investors' sentiment will maintain its bullish momentum with healthy profit-taking. The market will continue to take off because of the approval of the U.S. Food and Drug Administration (FDA) of the antiviral drug Remdesivir as the first and only approved COVID-19 treatment.

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	75.67%	95.00%	-24.99%	-14.34%	2.77%	-10.12%	2.06%	-5.29%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	24.33%	5.00%	0.60%	0.60%	0.12%	0.00%	0.00%	0.12%
Total	100.00%	100.00%	-18.76%	-13.59%	2.89%	-10.12%	2.06%	-5.17%

## 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.
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.