



# Purpose-driven Investing

A Weekly Newsletter for the CSCEIF

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20-Dec-28

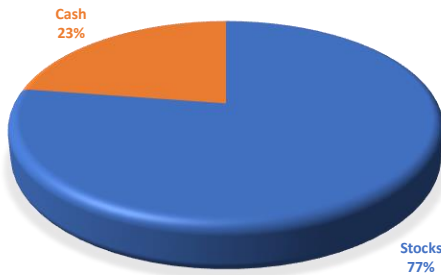
Net Asset Value: Php374,712,502.43  
Asset category: 95% Equities; 5% Cash  
Horizon: Long-term

Portfolio Returns	20-Dec-23	20-Dec-18
YTD	-9.56%	-8.57%
Rolling 1 Year	-8.66%	-7.23%
Rolling 2-Year	-4.82%	-4.31%

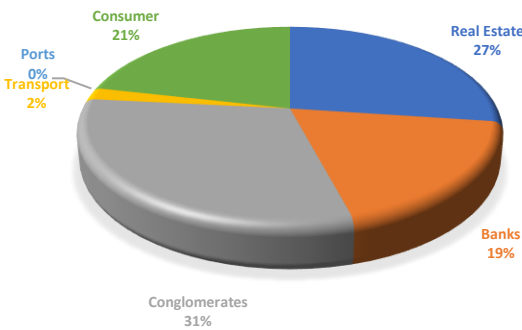
Benchmark Returns	20-Dec-23	20-Dec-18
YTD	-3.94%	-3.00%
Rolling 1-Year	-3.00%	-1.42%
Rolling 2-Year	1.72%	2.14%

PSEi	20-Dec-23	20-Dec-18
YTD	-7.82%	-6.94%
Rolling 1 Year	-7.32%	-5.92%
Rolling 2-Year	-1.86%	-1.66%

PORTFOLIO WEIGHTS BY ASSET CLASS



PORTFOLIO WEIGHTS BY SECTOR



	CSCEIF	Benchmark
Mean	-0.02%	0.01%
Std. Dev.	1.31%	1.33%
Beta	0.81	
Corr. Coeff.	0.83	

## A Word on the Market

Investors and traders were both in the holiday spirit not to do much by way of stock trading over the three days that the PSE was open last week. And while price trends were headed south, the movement was as soft as the uptick of the preceding week. To be expected was the weakness in activity by foreign money. What was noticeable is the market's desire to stave off any major price dips as intraday lows were all nearly erased by the trading day's end.

There are two scenarios that could play out in the coming week's two days of trading. There could either be a repeat of last week's price softness with the PSEi closing marginally lower week-on-week or a run up to close the year on a slightly positive note. Regardless, the movement will not be convincing as trade value would be modest at best.

## A Word on the Portfolio

Last week, the PSE index closed at 7,204.38, which remains a slow movement; the majority of foreign and local institutional traders are on holiday break. The largest contributor to the CIMAC portfolio was in the property sector; the likes of RLC gained 23.61% and followed by SMPH gained 21.77%.

This week, we expect the market will remain in a downward bias and form a bullish flag pattern, not too much volume trades by the end of this year. The market is resisting to drop at the 7,000 level due to the optimism of the COVID-19 vaccine.

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)	(h)
Equities	77.38%	95.00%	-12.53%	-4.18%	0.04%	-7.94%	1.47%	-6.42%
Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	22.62%	5.00%	0.60%	0.60%	0.80%	0.00%	0.00%	0.80%
Total	100.00%	100.00%	-9.56%	-3.94%	0.84%	-7.94%	1.47%	-5.62%

## 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.