Cocolife Dollar Fund Builder, Inc.

AUGUST 2022

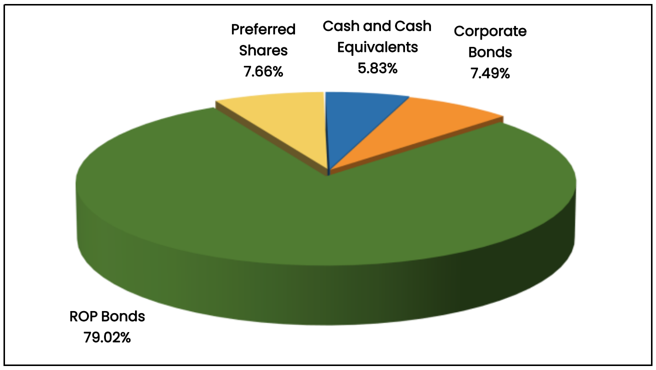
Fund Objective

Cocolife Dollar Fund Builder, Inc. is a growth and income-oriented mutual fund, which aims to provide investors with long-term capital appreciation. The Fund seeks to generate long-term total returns from interest income and capital growth by investing in a diversified portfolio of US Dollar denominated fixed-income and equity investments.

FACTS & FIGURES

Launch Date	2010
Structure	Mutual Fund
Assets Class	Balanced
Domicile	Republic of the Philippines
Currency	US Dollar
Minimum Initial Investment	US$ 1,000.00
Minimum Additional Investment	US$ 500.00
Sales Load	2% of the NAVPS
Early Redemption Charge	1% of the NAVPS
Minimum Holding Period	180 calendar days
Fund Manager	Cocolife Asset Management Co., Inc.
Custodian Bank	Landbank of the Philippines
External Auditor	Punongbayan & Araullo

Portfolio Allocation



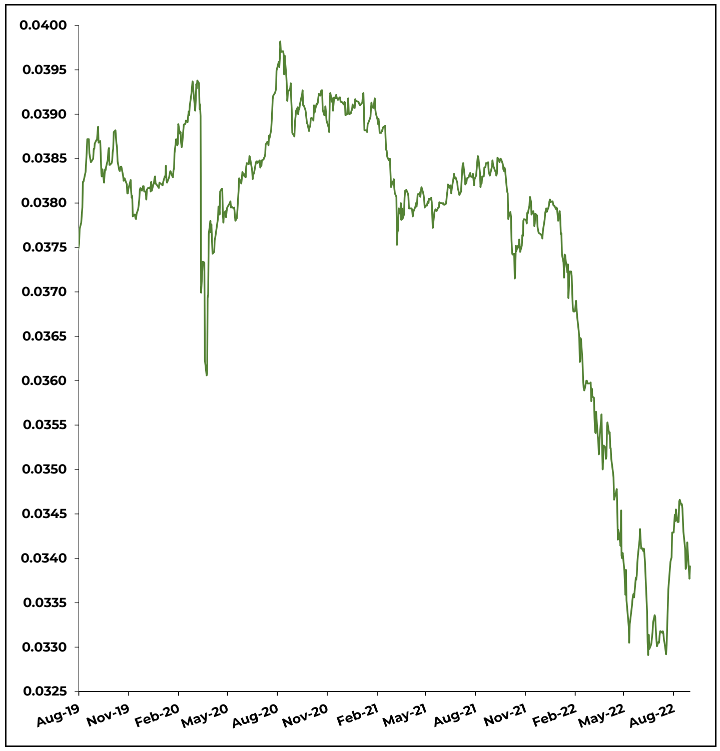
FUND PERFORMANCE

August 31, 2022 NAVPS	Year-to-date Return
0.03391	-10.29%

	Compounded Annual Return	Cumulative Return
One-year	-11.72%	-11.72%
Three-year	-4.28%	-12.31%
Five-year	-1.16%	-5.67%

* Figures of the funds' performance were based on the fund's actual returns as of August 31, 2022. Note, however, that historical performance is not a guarantee of future results.

NAVPS Graph



Market Recap and Outlook

For the month of August, the prices of Philippine sovereign US-dollar denominated bonds (ROP bonds) averagely dropped by 1.24% from end-July. Likewise, bonds dropped by 13.77% from end-2021 levels. Market participants continued to be vigilant while digesting signals from key central banks across the globe.

The minutes of the July Federal Open Market Committee (FOMC) showed that the Fed believed that there is "little evidence" of the inflation pressures easing. This tone was despite the July consumer price index (CPI) print rising only by at 8.5% in July, a slower annual increase compared with June as inflationary pressures eased on the back of lower petrol prices. The latest data should have raised hopes that the pace of price increases in the US has peaked and has started to decelerate. However, policymakers remained committed in raising interest rates as high as necessary to tame inflation. Markedly, Fed officials has even explicitly acknowledged the risk of tightening rates to economic activity. Nevertheless, they indicated that the pace of rate increases could ease as soon as next month, given the need for time to evaluate how the tighter policy is affecting the economy. For the year alone, the Fed already lifted its benchmark overnight interest rate by 225 points this year to a target range of 2.25% to 2.50% and expectations remain high that the central bank to continue raising policy rates for the remaining policy meetings this year. Meanwhile, the European Central Bank (ECB) announced their preparedness to at least repeat the half-point increase of interest rates that they have delivered in July. The Eurozone consumer price data is likely to reinforce the urgency with estimates point to another all-time high of 9.0%, more than four times the 2.0% target, with a weakened euro exacerbating the problem by making imports more expensive. Policymakers are struggling to stabilize prices after seeing inflation spiral out of control this year. The officials' ability to taper prices is limited amidst the growing risk of a recession in Europe and having no control over the war in Ukraine which continues to disrupt the continent's economy. On the other side of the spectrum, the People's Bank of China (PBOC) continued to surprise global markets as the bank unexpectedly trimmed its one-year policy loans by 10 basis points to 2.75% and the seven-day reverse repo rate to 2.0% from 2.1%. The PBOC's move follows the release of a weaker-than-expected credit growth data for July as new loans and corporate bond issuance slowed. The figures raise the risks of a liquidity trap where monetary easing is failing to spur lending in the economy. Markedly, the cut widens the divergence between the PBOC's easing stance and other major central banks that are aggressively tightening monetary policy to curb soaring inflation.

Traders of the dollar bond market may continue to stay in the sidelines while monitoring fresh leads ahead of the slew of Monetary Board meetings later in the month. Central bank officials may continue to be aggressive on their respective policy stances especially with inflation data showing sluggish improvements. In the meantime, players may ogle on releases of other economic data including labor data and manufacturing which could provide a glimpse of buying confidence in the investment scene.

UNITED FUND, INC. **COCOLIFE FIXED INCOME FUND, INC.** **COCOLIFE DOLLAR FUND BUILDER, INC.**

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The Philippine Economy at a Glance

GROSS DOMESTIC PRODUCT	FOREIGN EXCHANGE	INFLATION RATE	UNEMPLOYMENT RATE	BSP POLICY RATES	CREDIT RATINGS
8.3% (1Q2022) **7.8%** (1H2022)	AUGUST 2022 **P56.15/$** (1.85% weaker FTM) (10.10% weaker YTD)	**6.3% (Aug 2022)** **(based on 2018 prices)**	**6.0%** (June 2022)	**4.25%** (lending rate) **3.75%** (borrowing rate) **3.25%** (overnight deposit)	**BBB+** (Standard and Poor's) **BBB** (Fitch Ratings) **Baa2** (Moody's Investor)

Macroeconomic Updates

Inflation eases to 6.3% in August. According to the Philippine Statistics Authority (PSA), the country's inflation rate grew by 6.3% in August, a modest deceleration after five straight months of stubborn growth. The slowdown in the latest data was attributed to the lower increase in the transport and food indices. In turn, the eight-month inflation averaged 4.9%, nearing BSP's revised full-year inflation projection of 5.4%.

PH 2Q22 GDP grows to 7.4%. According to the Philippine Statistics Authority (PSA), the country's gross domestic product (GDP) grew by 7.4% in the second quarter, but slower than the downwardly-revised 8.2% in the previous quarter. Markedly, this was the slowest growth since the third quarter of 2021 but the second-fastest so far in Asia for the second quarter of 2022. Among major economic sectors, agriculture, forestry, and fishing posted 0.2% growth. Meanwhile, the industry and services improved to 6.3% and 9.1%, respectively. Nevertheless, analysts cited the latest GDP outturns as 'considered decent', given the slow and gradual measures to further re-open the economy towards pre-pandemic normalcy. For the first semester, GDP growth averaged 7.8%.

Unemployment rate steadies in June. The PSA's latest round of Labor Force Survey (LFS) reported that the unemployment rate in June stood at 6.0%, unchanged from the previous month but lower than the 7.7% in June 2021. This would translate to 2.99 million jobless Filipinos out of the 49.58 million. On the other hand, the quality of jobs in June improved as the underemployment rate slid down to 12.6% in June from 14.6% in the previous month.

BSP delivers a 50-bps rate hike in August. The Bangko Sentral ng Pilipinas (BSP) raised its interest rates by 50 basis points (bps) to 3.75% during its August Monetary Board meeting as it continues to taper off the surging commodity prices. The 50-basis point rate hike comes after the central bank's off-cycle increase of 75 bps in July. Nevertheless, BSP Governor Felipe Medalla earlier assured that the economy is strong enough to absorb rate hikes implemented amid stubborn inflation.

June PH posts biggest trade gap. The country's exports climbed by 1.0% to $6.64 billion in June, sharply slower than the revised 6.4% in May. Meanwhile, imports grew by 26.0% annually to $12.49 billion in June, slower than the revised 30.2% in May. Markedly, this has been the imports' 17th straight month of growth while exports tread roughly to post the slowest growth since the 1.4% contraction in February 2021. In turn, this brought the trade balance to a record deficit of $5.84 billion in June, which was wider than the revised $5.56 billion deficit in May. As for the first semester tally, imports rose by 26.7% to $68.32 billion, above the government's 18.0% target for this year. Meanwhile, exports went up by 7.1% to $38.53 billion, in line with the 7.0% full-year growth target. Accordingly, the trade deficit ballooned to $29.79 billion from the $17.95 billion a year ago.

July domestic liquidity inches up to P15.38T. The country's money supply in July grew by 7.0% to P15.38 trillion. It is 0.3% higher than the previous month on a seasonally adjusted basis but 0.4% lower than the P15.440 trillion recorded in June on an adjusted basis. The BSP said the higher lending activity was attributed to the improved activity in the private sector.

PH forex reserves sinks in July. The country's gross international reserves (GIR) hit a 23-month low of $98.83 billion in July, lower than the $100.85 billion level in June. Markedly, the foreign reserves fell below the $100-billion level for the first time in almost two years amid the heavy depreciation of the peso against the US dollar. Despite the continued decline, the BSP said the latest GIR level represents a more than adequate external liquidity buffer equivalent to 8.3 months' worth of imports of goods and payments of services and primary income.

Remittances hit 6th-month high in June. The country's remittances reached a six-month high in June. The latest data stood at $2.75 billion in June, 4.4% up from $2.64 billion in the same month in 2021. Markedly, this was the biggest since the $2.99 billion remittances logged in December 2021. In terms of growth, the June rate was also the fastest in seven months since the 5.1% rise seen in November 2021. In turn, the six-month period totaled $15.35 billion, rising by 2.9% from $14.91 billion in the comparable period last year.

July BoP deficit hits $1.82B. The Philippines' balance of payments (BOP) continued to post a deficit for a fourth straight month in July, as more dollars flowed out of the country to pay for the government's foreign debt. The July BOP gap widened to $1.82 billion, reversing the $642 million surplus in the same month last year. Accordingly, the year-to-date BoP deficit widened to $4.920 billion from the $1.30 billion deficit in the same period in 2021.

FDI inflows soars in May. Foreign direct investments (FDI) soared by 64.1% to $742 million in May from $452 million last year as multinational companies continued to inject more money into their affiliates in the Philippines to finance their operational requirements. As such, the Philippines recorded an 18.8% increase in net FDI inflow in the first half of the year to $4.12 billion from $3.51 billion in 2021.

'Hot money' outflows slow in July. The country's foreign portfolio investments or 'hot money' saw a net outflow of $103.14 million in July, the smallest outflow in two months. The latest data was lower than the $342-million net outflows recorded in June and the $339.7 million in net outflows in the same month in 2021. For the first seven months, foreign investments yielded a net inflow of $625 million, a turnaround from the $446-million net outflows in the same period last year.

Peso continues to drop on mixed catalysts. The Philippine peso closed at P56.15/dollar last August 31. The local currency continued to wobble as most players remained vigilant ahead of the next Fed meeting where Fed Chairman Jerome Powell signaled more rate hikes. The souring bets were slightly dampened by the better-than-expected China manufacturing data and the gradual decline in oil prices. Year-to-date, the local currency was 10.10% weaker from end-2021's close of P50.999/$.