

Fund Objective

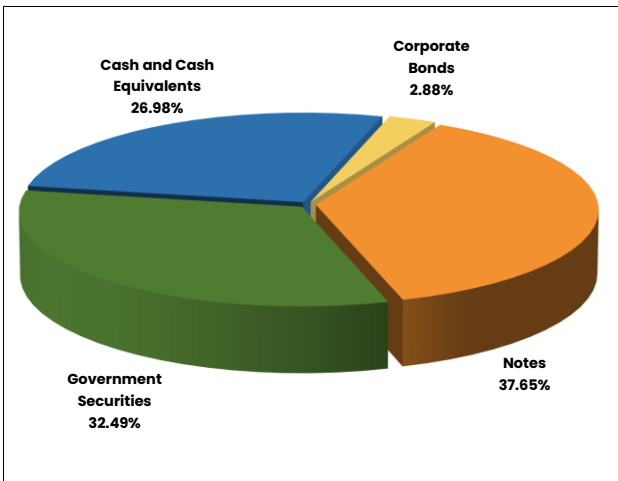
Cocolife Fixed Income Fund, Inc. is an income-oriented mutual fund, which seeks to generate regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments through a diversified portfolio of corporate bonds, government securities and other fixed income instruments.

Launch Date 2003
Structure Mutual Fund
Asset Class Fixed Income
Domicile Republic of the Philippines
Currency Philippine Peso
Minimum Initial Investment PHP 1,000.00
Minimum Additional Investment PHP 500.00

FACTS & FIGURES

Fund Size P 914.65 M
Sales Load not to exceed 3% 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



Fixed Rate Instruments	up to 1 year	over 1 year to 5 years	over 5 years
Cash and Cash Equivalents	26.98%		
Corporate Bonds		2.88%	
Notes	25.62%		12.03%
Government Securities		15.39%	17.10%

Remaining Maturity (years) 2.76

Market Recap and Outlook

Local bond yields on average climbed by 27 basis points (bps) in November against end-October levels, moreover, figures went up by 8-bps versus end-2023 levels despite the dovish signals from the Bangko Sentral ng Pilipinas (BSP). Trading activities in the local fixed income market toned down compared to previous months brought by the relatively faster inflation in October at 2.3%. Following Donald Trump's victory in the recent US election, threats of stricter US tariffs have brought in sour sentiment on the local market. More so, the peso remained to be weak through the month caused by the continued uprising in the geopolitical tensions between Russia and Ukraine has put players to look for safe-haven assets bringing a stronger dollar. However, due to the Bureau of Treasury (BTr)'s lower volume of scheduled auction for the fixed income securities alongside expectations that inflation will likely settle within the desired 2% - 4% range which will give leverage for the central bank to continue with the easing cycle through 2025 has given a slight boost on the demand for the purchase of fresh issued securities from the Treasury.

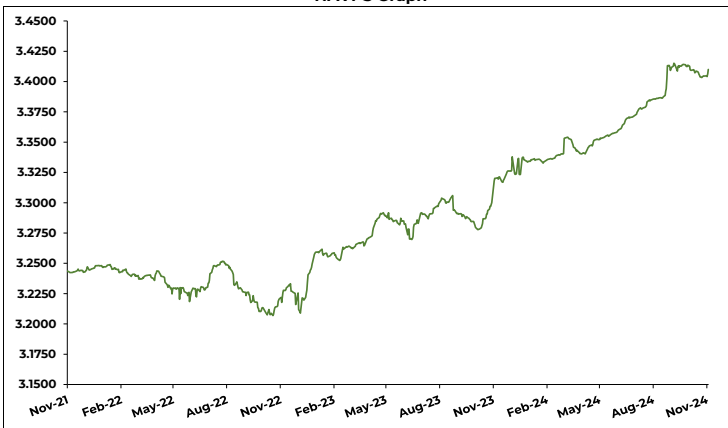
The BTr borrowed a total of P70 billion from the auction of its Treasury bills (T-bills) in the month. The bureau borrowed P15 billion in its latest auction last November 25, as tenders went up to P47.16 billion despite analyst's expectation of much faster inflation for November. Broken down, the government borrowed a total of P5 billion worth of 91-day debt notes, fetching an average rate of 5.6570%. Meanwhile, the BTr raised a total of P5 billion worth of 182-day notes, settling at a quoted average yield of 5.8820%. Lastly, the Treasury has raked in P5 billion worth of 364-day securities alongside the papers quoted at an average rate of 5.9050%.

The BTr also raised a total of P30 billion in the retail of its re-issued Treasury bonds (T-bonds) in the month of October, fully awarding its offered long-term securities in the month as the demand exceeded the scheduled volume offering. The Treasury awarded P15 billion worth of re-issued 20-year securities last November 12 with remaining tenor of 19.5 years on rates averaged at 6.0950% as bids went as much as P27.02 billion. The government also fully awarded the re-issued 7-year bond program with remaining tenor of 6.8 years last November 26, raising another P15 billion on rates averaged at 5.9540% as demand surged to P55.84 billion as the recent dovish remarks from the local central bank has given market players confidence to take advantage of the still high interest rates.

Meanwhile, the BSP's offering of term deposit facilities (TDF) garnered a whopping P977.67 billion for the month amid lesser BTr borrowings. In its latest auction last November 27, the central bank raised P246.60 billion from the issued one-week and 2 weeks securities from bids reaching only a total of P250.60 billion awarding the issued short term fixed instrument. Broken down, the BSP partially awarded P154.95 billion worth of 7-day notes on an average rate of 6.0584%. Also, the central bank fully awarded the 14-day security auction borrowing a total of P93.65 billion with yields averaged at 6.0902%.

In December, the relatively higher inflation may cause volatility in the market moving forward. Market analysts are pricing in that the BSP may resolve to keep the rates steady considering the recent developments at home and abroad. But the expectation of lower interest rates along with lower volume offered for scheduled BTr auction may spur activities in the secondary market.

NAVPS Graph



FUND PERFORMANCE

November 30, 2024 NAVPS	Year-to-date Return
3.4100	2.16%







	Compounded Annual Return	Cumulative Return
One-year	2.71%	2.71%
Three-year	1.69%	5.15%
Five-year	1.87%	9.72%

* Figures of the funds' performance were based on the fund's actual returns as of November 30, 2024. Note, however, that historical performance is not a guarantee of future results.

RISK DISCLOSURE. The value of investments in mutual funds is not guaranteed and will vary from day to day depending on the market value of the individual securities in its portfolio. Factors that can affect the value of these securities include economic conditions, interest rates, government regulations and taxations, and corporate performance.

RISK MANAGEMENT. Equity risk will be managed through prudent selection and avoidance of speculative and doubtful securities as well as portfolio diversification to reduce the impact of possible risks. The company shall manage interest rate risk by actively monitoring the prevailing interest rates. The fund maintains sufficient liquidity in the form of short term deposits which may be withdrawn anytime at minimal cost. Loans to private corporations will be limited only to high credit quality Philippine companies that meet the set standards.

The Philippine Economy at a Glance

GROSS DOMESTIC PRODUCT	FOREIGN EXCHANGE	INFLATION RATE	UNEMPLOYMENT RATE	BSP POLICY RATES	CREDIT RATINGS
 <p>5.20% 3Q2024</p>	<p>November 2024</p>  <p>P58.62/\$ (0.90% weaker FTM) (5.87% weaker YTD)</p>	<p>2.5% (NOV 2024) (based on 2018 prices)</p> 	<p>3.7% (SEP 2024)</p> 	<p>6.75% (lending rate) 6.25% (borrowing rate) 5.75% (overnight deposit)</p> 	 <p>BBB+ (Standard and Poor's) BBB (Fitch Ratings) Baa2 (Moody's Investor)</p>

Macroeconomic Updates

DBCC narrows growth target for 2024. The Development Budget Coordination Committee (DBCC) has adjusted the economic prospects for the medium term. The agency narrowed this year's target to 6.0% - 6.5% from the previous estimate of 6.0% - 7.0%, sticking with the 6.0% lower boundary as they saw optimism in the local consumption for 4th quarter alongside lenient monetary policy.

Inflation continues uptrend in November. According to the Philippine Statistics Authority (PSA), the country's inflation recorded an uptick of 2.5% in November, heavily influenced by the higher food and fuel prices. This figure is higher than the 2.3% recorded in October and continued the uptrend in the past two months despite settling within the 2.0% - 4.0% target range, which could support analysts' expectation that the Bangko Sentral ng Pilipinas (BSP) would resolve to keep the rates steady in its upcoming and final Monetary Board meeting for the year.

Unemployment improves further. The country's unemployment rate declined further to 3.7% in September from the 4.0% recorded in August translating to around 1.89 million jobless Filipinos. Meanwhile, the underemployment rate climbed to 11.9% in September from 11.2% in August and 10.7% in September last year. This meant that 5.94 million workers were underemployed in September. The recent figures can be seen as an effect of the monetary easing implemented by the central bank.

Uncertainties hover BSP decision in its last 2024 Monetary Board Meeting. Market watchers were on a mixed view regarding BSP's next policy decision for its last Monetary Board Meeting for 2024. With rate hike taken out of the picture as inflation to remain within the 2.0% - 4.0% target range coupled by the narrative from BSP Governor Eli Remolona that the central bank will continue to ease policy rates, the recent uptrend in inflation together with the weaker peso to some analyst deemed it necessary for the BSP keep the current rates steady, while some analysts still believe that the central bank has the capacity to impose another 25-bps reduction.

Remittances hit \$3.34B in September. The country's remittances stood at \$3.34 billion in September, up 3.3% from \$3.23 billion recorded in September 2023, amid a seasonal surge in money transfers in view of the "ber months" holiday season. September's figures brought the year-to-date personal remittances to stand at \$28.07 billion, up 3% from \$27.24 billion seen in January to September 2023.

PH international reserves ease to \$112.4-B. The Philippines' gross international reserves (GIR) amounted to \$112.43 billion last October, easing from the all-time high level of \$112.71 billion recorded in September. Foreign currency withdrawals made by the government to pay some of its offshore debts trimmed the Philippines' international reserves in October, but the buffer funds nevertheless remained above the \$112-billion level for the second month. The recent GIR figure can cover 8.1 months' worth of imports of goods and payments of services and primary income. The amount is also about 4.5 times the country's short-term external debt based on residual maturity.

FDI net inflows down to \$813M in August. Foreign direct investment (FDI) declined in August on the back of lower inflows to debt instruments during the period. The August FDI posted a net inflow of \$813 million in August, down from \$820 million in July and 14.5% lower than the \$951 million during the same month last year. The latest figure brought the year-to-date FDI net inflow to \$6.068 billion, higher than the \$5.839 billion in the comparable period of 2023.

PH records BOP surplus in the last 10 months. Philippines of payments (BOP) position recorded a surplus of \$4.4 billion from January to October this year, consequently, the cumulative BOP was up from the \$3.2 billion surplus in the same period last year. The surplus reflected in part the continued net inflows from personal remittances, trade in services, and net foreign borrowings by the government. In October, however, the overall BOP position recorded a deficit of \$724 million, a reversal from the \$1.5 billion surplus in the same month in 2023 reflecting payments for the settlement of foreign currency debt.

Hot money outflows record largest in October. Foreign portfolio investments reversed to a net outflow of \$529.68 million in October, compared to September's net inflow of \$1.0325 billion as investors sold securities to lock in gains. The October net outflow also exceeded the \$328.19 million outflow recorded in the same period last year. Consequently, the recent figure was the largest outflow recorded this year, as it surpassed the \$312.18 million outflow in April. Year-to-date, short-term foreign investments reached a net inflow of \$2.49 billion as of end-October, significantly higher than the \$734.12 million recorded during the same period last year. Gross inflows for October totaled \$1.479 billion, while gross outflows amounted to \$2.009 billion. From January to October, gross inflows totaled \$15.015 billion, while gross outflows reached \$12.521 billion.

The peso closes slightly weaker in November. The Philippine peso closed at P58.62/dollar last November 29, weaker by 0.90% from last month's close as the recent global economic outturn favored the greenback. The US dollar experienced an upsurge which was driven by safe haven demand due to US President-elect Donald Trump's tariff threats. The peso to dollar exchange rate consolidated within the P58 - P59/dollar range in the month with its weakest close at P59.08/dollar. The local currency gained support from better outlook for the Asian economies.

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