Cocolife Fixed Income Fund, Inc.

January 2026

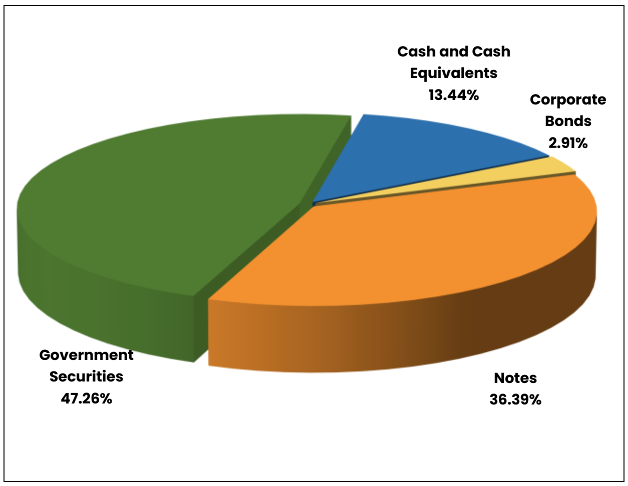
Fund Objective

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.

FACTS & FIGURES

Launch Date	2003	**Fund Size**	P 923.49 M
Structure	Mutual Fund	**Sales Load**	not to exceed 3% of the NAVPS
Asset Class	Fixed Income	**Early Redemption Charge**	1% of the NAVPS
Domicile	Republic of the Philippines	**Minimum Holding Period**	180 calendar days
Currency	Philippine Peso	**Fund Manager**	Cocolife Asset Management Co., Inc.
Minimum Initial Investment	PHP 1,000.00	**Custodian Bank**	Landbank of the Philippines
Minimum Additional Investment	PHP 500.00	**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	13.44%		
Corporate Bonds		2.91%	
Notes	11.80%	7.49%	17.11%
Government Securities		24.67%	22.59%

Remaining Maturity (years) 6.02

Market Recap and Outlook

Local bond yields on average declined by 48 basis points (bps) versus end-2024 levels in the month of December, marked by a general downward trend across almost all tenors, which reflects rising bond prices. Government securities attracted significant interest as the Bangko Sentral ng Pilipinas (BSP) continued its aggressive easing cycle, cutting the policy rate by another 25 basis points to 4.50% during its December 11 meeting. In December 2025, the Philippine bond market acted as a safe haven, attracting $5.8 billion in foreign inflows as investors prioritized fixed returns over volatile equities. This strong performance was primarily driven by a benign 1.8% inflation rate, which allowed the BSP to lower borrowing costs and create capital gains for bondholders despite a slowing 5.1% GDP growth rate. Investor sentiment was further bolstered by the relative stability of the Philippine peso against the U.S. dollar. Furthermore, while the peso remained under some pressure, the consistent signal from BSP Governor Eli Remolona that the easing cycle was nearing its end—hinting that the neutral rate might be around 4.0%—provided a "Goldilocks" outlook for bondholders. However, gains were partially tempered by governance concerns and a widening budget deficit following a local corruption scandal. Ultimately, the market concluded the year with successful issuances and a diversifying investor base, sustained by the country's resilient credit ratings and manageable debt levels.

Throughout the month, the BTr raised a total of P67 billion worth of Treasury bills (T-bills) as demand for fixed-income securities picked up given the dovish outlook. The Bureau fully awarded its auctioned Treasury bills (T-bills) last December 15, raising a total of P20 billion as tenders surged to P85.47 billion. For the 91-day Treasury bills, the average rate for the awarded security was 4.7310%, with P6.00 billion awarded. The 182-day Treasury bills were awarded at an average rate of 4.9030%, with P7.00 billion awarded. Lastly, the 364-day Treasury bills fetched an average rate of 4.9240%, with P7.00 billion awarded.

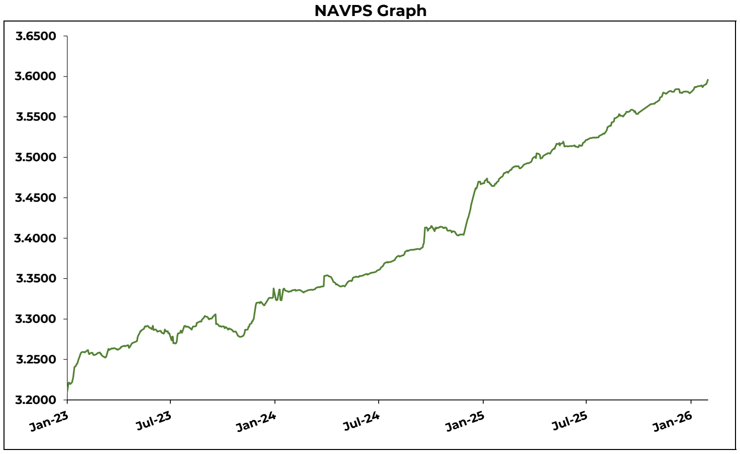
BTr's bond auction in December resulted in P35 billion in funds raised despite having only a few sessions. In its latest sale last December 2, the Treasury raised P35 billion in a split auction of 7-year and 10-year reissued bonds. Broken down, the 7-year reissued bond with a remaining maturity of 2.4 years saw strong demand of P59.78 billion, exceeding the original offered P20 billion, with rates averaging 5.2560%. Also, the Bureau raised P15 billion from the auction of 10-year T-bonds with a remaining maturity of 9.4 years at an average yield of 5.8760%.

Meanwhile, the BSP's offering of its term deposit facilities (TDF) accumulated P312 billion from its auctions during the month. On December 23, the weekly Term Deposit Facility (TDF) auction concluded with P72.66 billion raised from the offered 10-day TDF at a weighted average accepted yield of 4.5076%. Throughout the month, the central bank did not offer 14-day securities.

Peso bond yields are expected to remain low given the prevailing conditions in the fixed-income market. The central bank may implement one or two rate cuts during the first half of the year, potentially as early as February. Heightened uncertainty in the financial markets, stemming from slower GDP growth and elevated unemployment levels in the last quarter of 2025 could drive increased demand for government securities, supporting higher trading volumes and greater market activity in the first quarter of the year.

FUND PERFORMANCE

NAVPS Graph



January 30, 2026 NAVPS	Year-to-date Return
3.5959	**0.47%**

	Compounded Annual Return	Cumulative Return
One-year	3.47%	3.47%
Three-year	3.33%	10.32%
Five-year	2.25%	11.74%

* Figures of the funds' performance were based on the fund's actual returns as of January 30, 2026. 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.*

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
4.40% Full-year 2025	January 2026 P58.86/$ (0.03% stronger FTM) (0.03% weaker YTD)	1.7% (2025) (based on 2018 prices)	4.4% (NOV 2025)	5.00% (lending rate) 4.50% (borrowing rate) 4.00% (overnight deposit)	**BBB+** (Standard and Poor's) **BBB** (Fitch Ratings) **Baa2** (Moody's Investor)

Macroeconomic Updates

Philippine economy faces Q4 slowdown. In the final quarter of 2025, the Philippine economy experienced a slowdown to 3% GDP growth, down from a revised 3.9% in Q3. This deceleration, fueled by typhoon damage and a strategic pause in infrastructure spending, resulted in a full-year growth rate of 4.4%, short of government targets. Despite these headwinds, officials maintain that ongoing governance reviews of major projects will lead to more efficient and sustainable long-term execution.

Inflation to stay within target range. The BSP expects inflation to remain within the target range despite early-year price pressures, noting that January inflation could settle at 1.4%–2.2% following December's 1.8%. While higher food and fuel prices, excise tax hikes, and peso depreciation pose upside risks, easing electricity costs and stabilizing vegetable prices may help temper inflation.

Weaker growth strengthens case for BSP rate cut. Weaker Q4 GDP growth has strengthened the case for a near-term rate cut by the BSP, with analysts widely expecting a 25-basis-point reduction at the February 19 policy meeting. Governor Remolona stressed that inflation remains the central mandate and will guide the decision, while the central bank evaluates incoming data on growth, prices, and external conditions.

Philippines sees narrower trade deficit in December. In December 2025, the Philippines' trade deficit narrowed by 15% to $3.254 billion as export growth significantly outperformed imports. Driven by strong demand for electronics, bananas, gold, and machinery, exports surged 23.3% to $6.992 billion. Meanwhile, imports grew more modestly at 7.1% to $10.517 billion, led by electronics and fuel, with China remaining the primary supplier. Overall trade value rose 13% to $17.510 billion, signaling robust industrial activity and a strengthening external economic position.

Weaker inflows push Philippines' BoP into deficit. The Philippines recorded a $5.7 billion balance of payments (BOP) deficit in 2025, a sharp reversal from 2024's $609 million surplus. December contributed an $827 million deficit due to year-end debt payments and profit repatriation. This annual decline was driven by weakened capital inflows, lower FDI, and portfolio outflows, though the final figure remained within BSP projections. For 2026, the BSP anticipates a slightly wider $5.9 billion deficit while maintaining stable foreign reserves.

Foreign investments plunge further. In October 2025, Philippine foreign direct investment (FDI) net inflows plummeted by 39.8% year on year to $642 million, largely due to a sharp 50.7% drop in debt instrument investments as foreign parent companies reduced loans to local affiliates. While this figure reflects a month-on-month recovery from September's five-year low, the overall decline was fueled by investor caution surrounding domestic political uncertainty and global trade tensions. Despite these headwinds, modest growth in reinvested earnings and equity capital from Japan, the U.S., and Singapore provided a slight buffer to the downward trend.

Peso starts 2026 slightly weaker. The Philippine peso closed at P58.86 per dollar on January 30, slightly weaker than the previous month's close of P58.79. The peso's performance reflected a mix of global and domestic factors, with a weaker U.S. dollar and positive market sentiment helping to cushion the decline, while softer Q4 GDP growth and cautious signals from the U.S. Federal Reserve limited any recovery.