FINAL PROSPECTUS

COCOLIFE FIXED INCOME FUND, INC.

(An Open-end Investment Company)

1,000,000,000 Shares
COMMON STOCK

The Fund's shares consisting of One Billion (1,000,000,000) Common Stock with a par value of P1.00 will be offered at current Net Asset Value per Share. The shares to be offered are not listed in the Philippine Stock Exchange, and shall be traded through its principal distributor, Cocolife Asset Management Company, Inc.

Cocolife Asset Management Company , Inc.
Investment Manager and Principal Distributor
8th Floor, Cocolife Building
6807 Ayala Avenue, Makati City
Tel. 8810-1888 | 8810-6944

A total of 1,000,000,000 Cocolife Fixed Income Fund, Inc. shares were offered to the public.

The issuer is a domestic corporation, registered on April 24, 2003 as Cocolife Fixed Income Fund, Inc. The Fund originally has an authorized capital stock of two hundred million pesos (P200,000,000) divided into two hundred million shares (200,000,000) with a par value of P1.00 per share. At inception, fifty million pesos (P50,000,000) worth of shares have been subscribed and paid upon incorporation. On June 25, 2012, the Securities and Exchange Commission (SEC) approved the increase of the Fund's the authorized capital stock by eight hundred million pesos (P800,000,000) divided into eight hundred million shares (800,000,000) with a par value of one peso (P1.00) per share. Thus, having a total authorized capital stock of one billion pesos (P1,000,000,000) divided into one billion shares (1,000,000,000) with a par value of one peso (P1.00) per share. Out of the increased authorized capital stock, two hundred million shares (200,000,000) have been actually subscribed at the subscription price of three hundred ninety one million nine hundred seventy six thousand five hundred seventy eight pesos (P391,976,587), and of said subscription, the amount of three hundred three million six hundred fifty two thousand three hundred fifteen pesos (P303,652,315) has been actually paid in cash.

The estimated proceeds to be raised by the Fund is one billion seven hundred forty three million five hundred five thousand six hundred and one pesos (1,743,505,601), assuming that all of the authorized shares are sold at the net asset value per share of 2.1807 as of December 31, 2012, exclusive of filing, registration, and publication expenses.

The company will invest the proceeds of the sale of its shares in a diversified portfolio of medium to long-term high grade fixed income instruments and/or evidences of debt of:

- The Government of the Republic of the Philippines or its duly authorized political subdivisions;
- Government-owned or –controlled corporations and instrumentalities; and,
- Solvent corporations or institutions created or existing under the laws of the Philippines.

A fund manager's fee equivalent to two percent (2%) per annum of the average net asset value of Cocolife Fixed Income Fund, Inc.'s (CFIFI) assets computed on a daily basis, shall be payable to its Investment Manager, Cocolife Asset Management Company, Inc. (CAMCI). Cash and stock dividends will only be given to stockholders when declared by the Board of Directors.

A distribution or sales load fee not to exceed five percent (5%) of the offering price shall be payable to Cocolife Asset Management Company, Inc.

Dividends payable out of the surplus profits of the Corporation may be declared at such time as the Board of Directors shall determine. No dividend shall be declared that will impair the capital of the Corporation. Stock dividends may be declared in accordance with law.

No dealer, selling agent and any other person has been authorized to give information or make representation not contained in this Prospectus. This Prospectus does not constitute an offer of any securities other than those to which it relates, or an offer to sell or a solicitation of an offer to buy those to which it relates in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The delivery of this Prospectus at anytime does not imply that the information herein contained is correct as of anytime subsequent to this date.

The information contained in this Prospectus has been supplied by Cocolife Fixed Income Fund, Inc. unless otherwise stated. Cocolife Fixed Income Fund, Inc. accepts full responsibility for the accuracy of the information given herein, and confirms that there are no omissions of fact, which would make any statement in this Prospectus misleading.

Please read this Prospectus carefully before investing.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

COCOLIFE FIXED INCOME FUND, INC.

By: **Paulo N. Rabanal**
President

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RISK DISCLOSURE STATEMENT

GENERAL RISK WARNING
The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.

Past performance is not a guide to future performance.

There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying price and the selling price of these securities.

An investor deals in a range of investments each of which may carry a different level of risk.

PRUDENCE REQUIRED
This risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He/she may request information on the securities and issuer thereof from the Commission which are available to the public.

PROFESSIONAL ADVICE
An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities specially those high risk securities.

RISK FACTORS

The value of investments in mutual funds is not guaranteed and unlike bank deposits, mutual funds are not insured with the Philippine Depository Insurance Corporation (PDIC). The value of investments will vary from day to day depending on the market value of the individual securities of its portfolio.

Factors that can affect the value of these securities include economic conditions, interest rates, government regulations and taxation, and corporate performance. As a result, the investment may, at any time, be worth more or less than when the investor purchased the shares.

The company's investments in fixed income are exposed to the following risks, in the order of importance, a change in any of which may result in a change in the Net Asset Value of its Shares.

Market Risk, the risk that the value of an investment will decrease due to movements in market factors, specifically, the following market risk factor:

- **Interest Rate Risk**. This refers to the volatility of bond prices that result from changes in interest rates. If bonds are purchased and interest rates subsequently rise, then the market prices of the purchased bonds will decline. The company shall manage interest rate risk by actively monitoring the prevailing interest rates. During periods of rising interest rates, the fund will reduce the duration of the portfolio. During periods of declining interest rates, the fund manager will increase the duration of the portfolio.

Liquidity Risk. The risk that the investment may not find a ready buyer or that it may have to be disposed at a substantial loss. The Fund maintains sufficient liquidity in the form of special deposits which may be withdrawn anytime at minimal cost

Credit/Default Risk. This refers to the "creditworthiness" of the bond issuer or its expected ability to pay interest and repay its debt. Loans to private corporations will be limited only to high credit quality Philippine companies that meet the standards set by the Fund Managers.

Call/Prepayment Risk. The possibility that a bond will be called away from the investors or will be prepaid by the issuer before its maturity date. This usually happens when interest rates drop and the issuer has an opportunity to borrow money at a lower rate than the one currently being paid. As a consequence, the bondholder will not receive any more interest payments from the investment and may be forced to reinvest his money at lower rates.

This risk can be managed by knowing if and when an issue can be called. The fund also avoids bonds with call dates in the near future, especially if interest rates are falling.

ABOUT THE PROSPECTUS

This prospectus contains selected information from the Company's Registration Statement (RS) and regulatory filings, as submitted and approved by the Securities and Exchange Commission. The documents are incorporated in this prospectus, and are legally form part of this document, as if they are printed as part of it.

For further information on Cocolife Fixed Income Fund, Inc., you may refer to the following:

- the Fund's Registration Statement as filed with the SEC;
- the Fund's recent Fund Fact Sheets;
- the Fund's most recently filed Annual and interim Financial Statements.

You may access the Fund Fact Sheets in the Cocolife Asset Management Company, Inc. (CAMCI) Website (https://www.cocolifeasset.com) while the RS, and the Annual and Interim Financial Statements are available in full, upon request of an investor.

You may also contact your Investment Specialist or CAMCI's Investor Relations Office for assistance.

Digital Platform and Hotline

CAMCI Hotline (8am-6pm)	:	8810-1888 | 8810-6944 (+63) 917-550-4639 (SMS only)
E-mail Address	:	cocolifefunds@cocolife.com
Social Media	:	Facebook Page: fb.com/camciofficialpage Instagram: @camciofficialpage Tiktok: tiktok.com/@camciofficialpage Viber: bit.ly/CAMCIFinWatchViberCommunity Website: www.cocolifeasset.com

GLOSSARY

Investment Manager
Cocolife Asset Management Company, Inc.

Principal Distributor
Cocolife Asset Management Company, Inc.

The "Fund" or the "Company"
Cocolife Fixed Income Fund, Inc.

BSP
Bangko Sentral ng Pilipinas

Custodian Bank
United Coconut Planters Bank - Trust Banking Division

Pesos or ₱
Philippine Peso, lawful currency of the Philippines.

Investor
Any person, association or corporation who desires to invest in the shares of the Cocolife Fixed Income Fund, Inc.

NAV
Net Asset Value

PSE or the "Exchange"
Philippine Stock Exchange

R.A. 2629
Republic Act No. 2629 or the Investment Company Act

SEC or the "Commission"
Securities and Exchange Commission

"Shareholder" or "Stockholder"
Any natural or juridical person who has subscribed to the shares of Cocolife Fixed Income Fund, Inc.

Transfer Agent
United Coconut Planters Bank - Trust Banking Division

SHARE FEATURES

Issuer
Cocolife Fixed Income Fund, Inc. operates as an investment company with focus on medium- to long-term capital appreciation via interest income earned through investment in medium- to long-term debt instruments such as corporate bonds, treasury notes, treasury bonds, agency bonds and other fixed income instruments. The company's investment category is moderate risk.

Shares Offered/Par Value
Common stock with par value of One Peso (₱ 1.00) per share.

Minimum Investment
The table summarizes the investment amount required to make an investment with the fund:

	Amount
Minimum Initial Investment	Php 1,000
Minimum additional investment	Php 500

Offering Price
At the current Net Asset Value (NAV) per share for the banking day, if payment is made within the daily cut-off time, plus a sales load.

Acceptable mode of payment
Investments shall be accepted in forms of cash, cheque or electronic transfer.

Sales Load
A sales load fee will be charged on initial and subsequent investments made by an investor. The fee will be added to the Net Asset Value per Share (NAVPS) which will then be the selling price for the day. Applicable sales load rate shall not exceed five percent (5%) of NAVPS.

Daily Cut-Off Time
12:00 noon

Redemption Price
The redemption price of the securities surrendered for redemption within the daily cut-off time shall be within the same banking day's NAV per share while those surrendered after the daily cut-off time shall be deemed to have been received on the next banking day.

Redemption Charges
Redemption of shares held for less than 180 days will be subject to a redemption fee not to exceed 1% of NAV per share.

COMPANY PROFILE

Company Background

Cocolife Fixed Income Fund, Inc. is an open-end investment company incorporated on April 24, 2003 with SEC Registration No. A200112240. Cocolife Fixed Income Fund operates as an investment company with focus on medium- to long-term capital appreciation via interest income earned through investment in medium- to long-term debt instruments. The Fund falls under the conservative fund classification.

Cocolife Fixed Income Fund's shares are available through its Principal Distributor, Cocolife Asset Management Company, Inc. and its licensed mutual fund solicitors.

Cocolife Fixed Income Fund, Inc. expects to compete with companies that sell mutual funds invested in fixed income instruments.

Capitalization and Ownership

The authorized capital stock of Cocolife Fixed Income Fund, Inc. is One Billion Pesos (₱ 1,000,000,000.00) which is divided into One Hundred Million (1,000,000,000) common shares with a par value of One Peso (₱ 1.00) each.

The Fund originally has an authorized capital stock of two hundred million pesos (P200,000,000) divided into two hundred million shares (200,000,000) with a par value of P1.00 per share.

At inception, fifty million pesos (P50,000,000) worth of shares have been subscribed and paid upon incorporation. On June 25, 2012, the Securities and Exchange Commission (SEC) approved the increase of the Fund's the authorized capital stock by eight hundred million pesos (P800,000,000) divided into eight hundred million shares (800,000,000) with a par value of one peso (P1.00) per share. Thus, having a total authorized capital stock of one billion pesos (P1,000,000,000) divided into one billion shares (1,000,000,000) with a par value of one peso (P1.00) per share. Out of the increased authorized capital stock, two hundred million shares (200,000,000) have been actually subscribed at the subscription price of three hundred ninety one million nine hundred seventy-six thousand five hundred seventy eight pesos (P391,976,587), and of said subscription, the amount of three hundred three million six hundred fifty two thousand three hundred fifteen pesos (P303,652,315) has been actually paid in cash.

The original proponents have agreed not to sell, transfer, convey, encumber or otherwise dispose of their shares of Cocolife Fixed Income Fund, Inc. within 12 months from the issuance by the SEC of an order authorizing the sale of Cocolife Fixed Income Fund, Inc. shares to the general public.

Cocolife Fixed Income Fund, Inc. shares are redeemable common stock (one class of shares only).

Each share of stock of the Fund is a voting stock with voting rights equal to every other outstanding share of stock, and subject to the following:

a) Right of Redemption
The holder of any shares of stock of the Fund, upon filing of the duly accomplished redemption form, shall receive by way of redemption approximately his proportionate share in the Fund's current net assets or the cash equivalent thereof, i.e., the net current asset value per share, subject to existing laws and the By-Laws of the Fund.

b) Waiver of Pre-emptive Rights
No stockholder shall, because of his ownership of shares of stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the corporation. The Fund's Articles of Incorporation further provide that any part of such stock or other securities may at any time be issued, optioned for sale, and sold or disposed of by the Fund pursuant to the resolution of its Board of Directors, to such persons and upon such terms as the Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders.

c) Restrictions on Transfer
No transfer of stock of the Fund which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the books of the Fund.

d) Distribution of Dividends
Dividends payable out of the surplus profits of the Corporation may be declared at such time as the Board of Directors shall determine. No dividend shall be declared that will impair the capital of the Corporation. Stock dividends may be declared in accordance with law.

e) Other Material Rights of Stockholders
The holders of common shares of the Fund have no other material rights.

f) Change of Control of the Fund
There are no provisions in the Fund's charter or its by-laws that would delay, defer or prevent a change in control of the Fund.

Directors and Officers of Cocolife Fixed Income Fund, Inc.

The Board of Directors of Cocolife Fixed Income Fund, Inc. are elected during the Annual Stockholders Meeting every first Wednesday of June or during Regular Board Meetings.

RAMON MANUEL G. DE CLARO
Chairman

Mr. Ramon Manuel G. De Claro currently serves as Chairman of United Fund, Inc., Cocolife Fixed Income Fund, Inc., and Cocolife Dollar Fund Builder, Inc. He was elected President of the Corporation on August 20, 2025, and has been serving as Treasurer since 2020. Prior to his appointment as President, he was a Director of Cocolife Fixed Income Fund, Inc.

In addition to these roles, Mr. De Claro is the Chairman of the Corporate Governance and Related Party Transactions Committee of Cocogen Insurance, Inc. He is also the President of Bocor Lending Corporation. Furthermore, he serves as Director and Treasurer-in-Trust of Banh Mi Kitchen Services, Inc., and as President of Renato Realty and Development Corporation.

Mr. De Claro has held several leadership positions across various companies. Since 2013, he has been the President of Galves Realty and Development Co., Inc. He also serves as President of Manester Development Corporation and MBPP Enterprise, Inc., and has been President of Bocor Realty Corporation since 2016.

He holds a Bachelor of Science degree in Communication Technology Management from Ateneo de Manila University and earned his Master's Degree in Entrepreneurship from the Ateneo Graduate School of Business in 2012.

PAULO N. RABANAL
President

Atty. Paulo N. Rabanal currently serves as President of United Fund, Inc., Cocolife Fixed Income Fund, Inc., and Cocolife Dollar Fund Builder, Inc. Concurrently, he holds the position of Senior Vice President and Head of the Corporate Finance and Strategy Division of Cocolife.

Prior to his current role, Atty. Rabanal served as Vice President in the Healthcare Division of Cocolife. Before joining the organization, he was an Assistant Vice President in the Legal Services Department of Cocogen Insurance, Inc., the non-life insurance arm of Cocolife. Earlier in his career, he worked as a Senior Associate at Angara Abello Concepcion Regala & Cruz Law Offices (ACCRALAW).

Atty. Rabanal earned his Bachelor of Science degree in Management, with a minor in Enterprise Development, from Ateneo de Manila University. He also obtained his Juris Doctor degree from the Ateneo de Manila University.

JOSE MARTIN A. LOON
Director

Atty. Loon is a Director of Cocolife Asset Management Inc, United Fund, Inc., Cocolife Fixed Income Fund, Inc. Cocolife Dollar Fund Builder, Inc. He is the President and Chief Executive Officer of United Coconut Planters Life Assurance Corp. (COCOLIFE). He received international recognitions as Young CEO of the Year Philippines 2021 from the Global Business Review Magazine and Young Leader of the Year Circle of Excellence Awardee from the 12th Asia CEO Awards. Atty. Loon is the founding partner of Yebra De Jesus Loon Law Offices. He is also a professorial lecturer in the UP College of Law and San Beda University Master of Laws Program. He was appointed as the youngest Member Consultative Committee to Review the 1987 Constitution, serving alongside former Supreme Court Justices and members of the legislature in 2018.

He obtained his Master of Laws degree from Georgetown University in 2015, his Juris Doctor degree from University of the Philippines College of Law in 2013, and his Bachelor of Arts degree major in Political Science from Ateneo de Manila University in 2018. In UP, he was a Member of the Order of Purple Feather, UP Law Honor Society, the University Student Council, and the Sigma Rho Fraternity.

MARIA CONCEPCION P. OBAN
Independent Director

Ms. Maria Concepcion P. Oban is a seasoned Project Manager with extensive experience in the airline and banking sectors. She specializes in leading large-scale IT and business transformation projects, with strong expertise in project lifecycle management, business analysis, and solution delivery.

She has held senior roles at Philippine National Bank and Philippine Airlines, driving system integrations, improving IT governance, and delivering key enterprise initiatives. Known for her leadership of cross-functional teams, she brings strong analytical, communication, and execution skills aligned with business objectives.

She holds a double degree in Psychology and Marketing from De La Salle University, where she was a Dean's Honors List awardee.

REINIER PAUL R. YEBRA
Director

Atty. Reinier Paul R. Yebra has served as Undersecretary for Legal Affairs of the Department of Transportation since 2017. He is a Partner at the Yebra De Jesus Loon Law Office (YDL Law) and the Founder of the Legal Edge Bar Review Center. He has extensive experience in the fields of public service, governance, education, and financial law. Atty. Yebra has also been a Professorial Lecturer at various academic institutions. He pursued advanced studies abroad and obtained his Master of Laws (LL.M.) degree from Columbia University in 2015 as a Fulbright Scholar and Mark Appel Fellow.

Atty. Yebra earned his Bachelor of Arts in Legal Management degree (2001) from the University of Santo Tomas and his Bachelor of Laws degree (2009) from the San Beda University College of Law, where he graduated valedictorian and ranked #1 overall in his class. He also placed 1st in the 2009 Philippine Bar Examinations among 5,903 candidates.

He has authored various publications in the San Beda Law Journal and the Bangko Sentral ng Pilipinas Review, focusing on topics such as central banking, microfinance, and special banking laws. He previously served as Acting Deputy Director of the Bangko Sentral ng Pilipinas from 2011 to 2017, and as an Associate at the Angara Abello Concepcion Regala & Cruz Law Offices (ACCRALAW) from 2009 to 2010.

Aside from his work at the DOTr and the Legal Edge Bar Review Center, Atty. Yebra has also served as a Faculty Adviser for various committees and departments at the San Beda College of Law. He is a member of the Integrated Bar of the Philippines and the ASEAN Law Association.

JOSE ANTONIO RAFAEL G. SANTOS
Director

Atty. Jose Antonio Santos is a Director of Cocolife Fixed Income Fund, Inc. and Cocolife Dollar Fund Builder, Inc. since 2020. He is an Associate Lawyer at Aquende Yebra Aniag Loon & Associates Law (AYALA Law) since 2016.

Atty. Santos graduated as Cum Laude with Bachelor of Science Degree in Business Administration from the University of the Philippines. He obtained his Juris Doctor degree from the University of the Philippines and passed the Bar examinations in 2015.

MIKAELA T. MONSALUD
Director

Atty. Monsalud is currently a Senior Associate at Yebra Devesa Loon Hernandez Law Office (YDL Law). She also serves as the Corporate Secretary of FLO Concepts, Inc., Homie Hospitality Group, Inc., and Growcap Partners, Inc. In addition, she is a Director of First Metro Wheels Service, Inc.

She earned her Bachelor of Science in Business Administration, Major in Business Economics from the University of Santo Tomas, and completed her Juris Doctor degree at the Ateneo de Manila University School of Law.

ARTURO B. ORTIZ
Independent Director (since April 2021)

Lt. Gen. Arturo B. Ortiz (ret.) is an Independent Director of United Fund, Inc. He previously served as the 53rd Commanding General of the Philippine Army from July 2010 until his retirement from service in 2011. Prior to this, he held several commanding positions in the Philippine Army: Commander of Special Operations Command, Commander of Special Forces Regiment (Airborne), Commander of Task Force "Libra" and Chief of the AFP Command Center, among his many positions. His 32 years in service spans an illustrious career in the Philippine army, where he became the recipient of the Philippine Medal of Valor – the highest military honor awarded by the President of the Philippines for heroism, a recognition he received in 1990. He was also a recipient of four Distinguished Service Stars, three gold Cross Medals, four Bronze Cross Medals, and 21 Military Merit Medals, among other recognitions.

Lt. Gen. Ortiz is a member of the Philippine Military Academy (PMA) "Matapat" Class of 1979. He took and excelled in courses in Airborne and Special forces, and also Armor Officer and military operations, Civil Affairs, Instructor training, and Officer Qualification Record in Fort Bragg, North Carolina.

FEDERICO LUIS MARIA M. ESCALER
Independent Director

Mr. Federico Luis Maria M. Escaler is an Independent Director of United Fund, Inc., Cocolife Fixed Income Fund, Inc. and Cocolife Dollar Fund Builder, Inc. since March 2022, and Cocolife Fixed Income Fund, Inc. since June 2021. Concurrently, he is the President of 650 Allied Inc., a position he has held since. 2019. He is also the Treasurer of Prime Treasure, Inc. since 2018. Prior to being an Independent Director for Cocolife, he was a Development Economics Consultant to The World Bank and a member of its Sustainable Development and Economics Team. He also served as a Peacekeeping Operations Editorial Assistant to the United Nations and had engagements with Seale Harris Corporation and Citi.

Mr. Escaler obtained his Bachelor of Science degree in Business Administration at the Ateneo de Manila University, and his Bachelor of Science degree in Economics at the Santa Clara University in California, USA.

REX D. LAMPA
Corporate Secretary

Atty. Rex D. Lampa is the Corporate Secretary of Cocolife Asset Management Co., Inc., United Fund, Inc., Cocolife Fixed Income Fund, Inc. and Cocolife Dollar Fund Builder, Inc. since 2019. He also holds various positions within COCOLIFE: Vice President of Legal in COCOLIFE, Corporate Secretary of COCOPLANS, Inc., and HealthAssist, Inc. Prior to this, he was an Associate at Fortun, Narvasa & Salazar Law Office from 2008 to 2010.

Atty. Lampa holds a degree in Bachelor of Arts in Journalism in Polytechnic University of the Philippines and obtained his Bachelor of Laws from the Polytechnic University of the Philippines in 2007.

JAIME MANUEL A. FAUSTO
Treasurer

Atty. Jaime "Jim" Manuel A. Fausto is a Partner at Yebra Devesa Loon Santos Hernandez Law Offices, where he handles labor law, litigation, corporate law, and special projects. He began his legal career with the firm as a Legal Associate, later advancing to Senior Associate before becoming Partner in 2023. Jim is also a Member of the Board of Directors of Cocoplans, Inc., providing strategic legal and business guidance.

He earned his Juris Doctor from the University of the Philippines College of Law and passed the 2018 Bar Examinations, and holds a Bachelor of Science in Business Administration, cum laude, from the University of the Philippines Diliman.

RYAN ANTHONY S. MALIT
Compliance Officer and Data Protection Officer

Atty. Ryan Anthony S. Malit serves as the Compliance Officer and Data Protection Officer of CAMCI, United Fund, Inc., Cocolife Fixed Income Fund, Inc. and Cocolife Dollar Fund Builder, Inc. since January 2021. Atty. Malit is the Assistant Vice President of the Legal Division since 2020, and is a Senior Lecturer at the UP College of Law. He is Assistant Vice President of the Philippine Institute of Arbitrators. He previously served as Junior Associate for Poblador Bautista & Reyes Law Offices and Intern and Legal Assistant for the Office of Associate Justice Marvic Mario Victor F. Leonen.

Atty. Malit holds a degree in Bachelor of Science in Economics from the University of the Philippines Diliman with Cum laude Honors. He completed his Juris Doctor degree at the University of the Philippines College of Law in 2017 and was awarded the Dean's Medal for Service.

INVESTMENT OBJECTIVE

Cocolife Fixed Income Fund, Inc. is an open-end, income-oriented mutual fund, which aims to provide investors with medium- to long-term capital appreciation. The Fund seeks to generate regular interest income through investment in debt instruments such as corporate bonds, government securities like treasury notes, treasury bonds and agency bonds, and other fixed income securities.

The Fund is suitable for investors with low risk tolerance and a long-term investment horizon. This is ideal for conservative investors who are seeking better returns than traditional savings account.

INVESTMENT RESTRICTIONS

As prescribed by law, the following investment restrictions shall apply:

1. The maximum investment in any single enterprise shall not exceed an amount equivalent to fifteen percent (15%) of the fund's net asset value, except investments in the obligations of the Philippine government and its instrumentalities; and in no case shall the total investment exceed ten percent (10%) of the outstanding securities of any one investee Company.

2. For liquidity purposes unless otherwise prescribed by the Commission, at least ten percent (10%) of Cocolife Fixed Income Fund shall be invested in liquid/semi-liquid assets such as:

    a) Treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short-term, and other government securities or bonds and such other evidences of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines or any of its instrumentalities.

    b) Savings or time deposits with government owned banks or commercial banks, provided that in no such case shall any such savings or time deposit accounts be accepted or allowed under a "bearer", "numbered" account or other similar arrangement.

3. Unless the Commission shall provide otherwise, no investment company shall sell securities short or invest in any of the following: margin purchase of securities (investment in partly paid shares are excluded); commodity futures contracts; precious metals; and unlimited liability investments;

4. Cocolife Fixed Income Fund, Inc. may not change its investment objective without prior approval of majority of its shareholders.

5. Cocolife Fixed Income Fund shall not incur any debt or borrowing unless at the time of its occurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall fall below 300%, Cocolife Fixed Income Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least 300%.

6. Cocolife Fixed Income Fund shall not participate in an underwriting or selling group in connection with public distribution of securities, except for its own capital stock.

7. Cocolife Fixed Income Fund shall not purchase from or sell to any of its officers or directors or the officers or director of its Investment Manager and distributors or firms of which any of them are members, any security other than those of the capital stock of the Fund.

8. Cocolife Fixed Income Fund, Inc. shall not engage in short selling.

9. As provided in Section 15 of the Act, the total operational expenses of an investment company shall not exceed ten percent (10%) of its total investment fund or total net worth as shown in its previous year's audited financial statements.

PARTIES INVOLVED IN CFIFI

The original entities involved in the operations of CFIFI are the investment manager, the principal distributor, the transfer agent and the custodian bank.

Investment Manager

Cocolife Asset Management Company, Inc. (registered on March 17, 2003 with registration number CS200305754, is the Investment Manager of Cocolife Fixed Income Fund, Inc. Cocolife Asset Management Company, Inc. is in the business of providing investment management services to its corporate and individual clients. The guidelines for the management and operation of Cocolife Fixed Income Fund, Inc. are contained in the Investment Management agreement between CFIFI and Cocolife Asset Management Company, Inc.
The Board of Directors of Cocolife Asset Management Company, Inc. are:

BOARD OF DIRECTORS	
Ramon Manuel G. De Claro	Chairman
Paulo N. Rabanal	President
Jose Martin A. Loon	Director
Carolina G. Diangco	Director
Mikaela T. Monsalud	Director
Rowena E.V. Daroy Morales	Independent Director
Jose Antonio Rafael G. Santos	Independent Director
Jose Manuel C. Razon	Independent Director
Jaime Manuel A. Fausto	Director and Treasurer
Rex D. Lampa	Corporate Secretary

Principal Distributor

Cocolife Asset Management Company, Inc. is the principal distributor of UFI and is responsible for the sale of the Fund's shares to prospective investors. I

Custodian Bank

The Custodian Bank of UFI is Land Bank of the Philippines.

Transfer Agent

The transfer agent of United Fund, Inc. is Land Bank of the Philippines.

Legal Counsel

The Cocolife Legal Division is the legal counsel for the United Fund, Inc.

External Auditors

The accounting firm of Punongbayan & Araullo is appointed by the Company as its external auditor.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

There is no material pending legal proceedings to which the registrant or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

There is no bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time. There is no conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign. Cocolife Fixed Income Fund, Inc. is not a subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities or banking activities. Cocolife Fixed Income Fund, Inc. has not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or a foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

MATERIAL CONTRACTS AND AGREEMENTS

Summary of the fees payable by the fund

Cocolife Fixed Income Fund, Inc.	
Management & Distribution Fee	2% of Average Assets Under Management
Custody Fee	P60,000 annually

Management and Distribution Agreement

Under this agreement, Cocolife Asset Management Co., Inc. (CAMCI) serves as the Investment Manager and Principal Distributor, Administrator of the Fund. Under the Agreement, the services of CAMCI shall include the following:

(a) Investment and re-investment of the assets of the Fund in accordance with the investment policies and guidelines set by the Board of Directors of the Fund, and in conformity with the Fund's prospectus, the Investment Company Act, the SEC Rules and Regulations Governing Investment Companies and other applicable laws and regulations;

(b) Coordination of the activities of, and extension of all necessary cooperation with, and assistance to, the Custodian Bank of the Fund, the auditors, the legal counsel and the stock transfer agent of the Fund, without prejudice to the direct responsibility of such firms to the Fund;

(c) Preparation of reports, circulars, notices and other information as may from time to time be required by the Fund, its stockholders, Board of Directors and officers, which shall include, among others, a monthly report on:
   (i) revenues and disbursements broken-down as to investments and expenses;
   (ii) sales and redemptions; and,
   (iii) performance, change or status of the Fund's assets;

(d) Representation with government offices, instrumentalities and agencies, including all work required in registering the Fund's securities, obtaining proper licenses and permits, complying with other legal requirements, including those requirements relevant to the Manager's own operations, and submitting regular reports to various government agencies;

(e) Computation of net asset value per share, accounting, bookkeeping, clerical and other administrative services in the ordinary conduct of the Fund's activities, other than those services provided by the Custodian, the auditors, the legal counsel and the stock transfer agent;

(f) Computer services for processing and recording investors' accounts, and for preparing reports, confirmations and notices to investors;

(g) Transactions with financial institutions, for the account of the Fund, in connection with the Manager's investment and re-investment of the Fund's assets.

(h) Provide office space and other administrative facilities as the Fund shall reasonably require in the ordinary conduct of its business.

The investment company agreed to pay CAMCI management fee, a monthly fee of an amount not to exceed two percent (2.0%) per annum of the NAV of the Fund, which shall be computed on a daily basis.

Custodian Bank Agreement

Under the agreement, the Custodian Bank safekeeps and maintains a record of securities and other evidences of investments delivered to it by United Fund or the Investment Manager and prepares reports on such securities.

For each investment made for the account of United Fund, Inc., Cocolife Asset Management Co., Inc. furnishes the custodian bank with copies of the documents covering said investments. After each purchase, the Custodian Bank accepts delivery and safekeeps the securities purchased and other evidences of investments of United Fund, Inc. The Custodian Bank allows periodic inspections of such securities and other evidences of investments and of the records pertaining to it, by the employees and agents of the SEC, other persons designated by United Fund, Inc. and the independent auditors of the Fund.

Stock Transfer Agent Agreement

Cocolife Fixed Income Fund, Inc. has an agreement with its Stock Transfer Agent, United Coconut Planters Bank - Trust Banking Division, with the latter tasked to perform transfer agency services for the Fund. The Stock Transfer Agent is required to submit and processing necessary reports and documents pertaining to the fund, as required.

USE OF PROCEEDS

The Company will use the proceeds of the sale of Cocolife Fixed Income Fund's shares to finance its investments.

INVESTMENT AND REDEMPTION PROCEDURES

Investment in CFIFI

Cocolife Fixed Income Fund shares may be purchased through the principal distributor, Cocolife Asset Management Co., Inc. (CAMCI), or through their licensed selling agent. The investor shall accomplish an account opening form, an order form and two (2) signature cards to be submitted together with a check or payment order payable to "Cocolife Fixed Income Fund, Inc.". An official receipt is issued to the investor.

Corporate Investor Requirements
For corporate investors, the following documents, in addition to the account opening form, order form and two (2) signature cards, shall accompany the application form:

1. Certified copy of the corporation's SEC Certificate of Registration, Articles of Incorporation and By-Laws
2. Board Resolution duly certified by the Corporate Secretary, authorizing the subscription to the shares applied for and specifying the authorized signatories; and
3. Certification of the Corporate Secretary indicating the percentage holdings by nationality of stockholders.

Acceptance of Application
Applications to purchase are subject to approval by the Investment Manager. Applications, which do not comply with the purchase terms, rules and regulations, may be rejected at the sole discretion of the Investment Manager.

Redemption in CFIFI

Any shareholder may require Cocolife Fixed Income Fund to redeem his shares by filling up the request for redemption form.

The redemption price of the securities surrendered within the daily cut-off time shall be the same banking day's NAV per share while those surrendered after the daily cut-off time shall be deemed to have been received on the next banking day. The daily cut-off time shall be 12:00 o'clock noon.

Payments for the redeemed shares shall be effected within seven banking days after receipt of redemption request.

However, pursuant to the Investment Company Act Rule 35-1 (e)(6), "The Commission may, whenever necessary or appropriate in the public interest or for the protection of investors, suspend the redemption of securities of open-end companies."

The shares can be redeemed at the place where these shares were originally purchased. The investment company may also establish a network of redemption centers pursuant to the Investment Company Act Rule 35-1(c)(4) which states that "In case of open-end investment funds, the investment company may establish a network of redemption centers acceptable to the Commission."

Redemptions of shares held for less than 180 days will be subject to a redemption fee not to exceed 1% of NAV per share.

Statement of Account

Cocolife Fixed Income Fund, Inc. issues a Statement of Account (SOA) which contains a client's investment activities on a quarterly basis. The company sends the SOA to any point in the Philippines through a special courier service.

Clients may also access their investments by enrolling their accounts with CAMCI SOA Portal, which allows viewing and printing of the document.

Computation of Net Asset Value

NAV per share is defined as the difference of total assets of the Company less its total liabilities divided by the total number of shares outstanding at the close of the banking day. NAV per share is computed daily on each banking day. A banking day is defined as a day when commercial banks in Metro Manila are not required or authorized to close by law.

Computation of the net asset value per share shall be applied consistently and any change in the net asset value per share calculation or valuation shall be subject to the approval of the Commission.

Methodology of asset valuation

Financial Assets at Amortized Cost are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Fund's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interests (SPPI) on the principal amount outstanding.
-

Except for receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, Revenue from Contracts with Customers, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL).

Financial assets at Fair Value Through Profit or Loss are initially measured at fair value. Subsequently, they are valued based on their market prices quoted in the Philippine Stock Exchange for equity securities and Bloomberg Valuation (BVAL) for debt securities with gains or losses recognized in profit or loss.

BENEFITS TO THE INVESTOR

Professional Management
The investor will have the benefit of professional investment management, which would otherwise be available only to institutional funds and high net worth individuals. Cocolife Fixed Income Fund's investment manager has had significant experience in investment management and portfolio administration.

Preservation of Capital
One of the goals of an investor, the preservation of capital, is addressed by the investment manager's prudent selection process of a diversified portfolio of high-grade fixed income securities and equity securities.

Yield Maximization
The investment manager through research and regular monitoring of the financial markets, will constantly review and develop the optimum investment mix that will provide the investor with competitive yields that are otherwise available only to big funds.

Liquidity
The investor may convert his investment into cash by presenting his shares for redemption at any time, in accordance with the provisions of the Investment Company Act and the redemption policies of Cocolife Fixed Income Fund, Inc.

CERTAIN PHILIPPINE LAWS APPLICABLE TO THE COMPANY

Corporate Income Taxes
Under the **Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law,** income derived from doing business in the Philippines, net of allowable deductions, is subject to tax at the rate of twenty five percent (25%). In many instances the company's net income is not subject to the corporate tax due to final taxes paid and other internal revenue regulations, which provide other methods of tax computation.

Withholding Tax on Dividend Income
Dividends received by domestic corporations shall not be subject to tax.

Withholding Tax on Interest Income
Income realized from interest earned in bank deposits, bonds, notes and other interest-bearing certificates of indebtedness are subject to tax at any rate of twenty percent (20%) thereof. The corresponding amount is a final tax.

Documentary Stamp Tax
A documentary stamp tax is imposed on every original issuance of shares of stock at the rate of P2.00 for every P200.00 (or a fraction thereof) of par value. On any

subsequent transfer of shares, a documentary stamp tax is imposed at the rate of P0.75 for every P200.00 or a fraction thereof) of par value.

Repatriation of Foreign Investments
Foreign investments in Philippine equities are entitled to immediate capital repatriation and dividend and interest remittance privileges at the prevailing exchange rate at the actual time of remittance under existing regulations of the BSP, provided that the foreign investments are funded by an inward remittance of foreign exchange acceptable to the BSP and converted through Philippines authorized agent banks and such investment is registered with the BSP.

Prevention against Money-Laundering and Combating Terrorist Financing
Cocolife Fixed Income Fund, Inc., through its Investment Manager CAMCI, is committed in preventing money-laundering and terrorism under Anti-Money Laundering Act of 2001 (RA 9160), as amended, and the Terrorism Financing Prevention and Suppression Act of 2012 (RA 101689), respectively. The Investment Manager, on behalf of the Fund, has established an 'Anti-Money Laundering and Combating the Financing of Terrorism Operating Manual', which is available upon request of a client. Such measures are embedded in the investment procedures and policies of the Company.

The Investment Manager, acting on behalf of the Fund, reserves the right to request information from a client, as necessary, to verify the identity of the purchaser of shares. CAMCI also has the right to refuse investments if the identity of the purchaser of shares is questionable and suspicious or if there is a failure in the provision of the information as required.

Data Privacy and Confidentiality
The Fund, through CAMCI, upholds an individual's data privacy rights and assures that all the personal information, sensitive personal information and privileged information collected and to be collected from clients, are processed in accordance with Republic Act No. 10173, known as the "Data Privacy Act of 2012" (DPA) and its Implementing Rules and Regulations issued by the National Privacy Commission (NPC).

To enable CAMCI to perform processes related to investments, other products and services, it is important that CAMCI lawfully collects, uses and stores client's personal data. Clients certify that the data provided with their consent are accurate, complete and up to date. CAMCI has also implemented organizational, physical and technical security measures to secure and protect client information from theft, loss, penetration or breach. Sharing of information is only to the extent that is reasonable and necessary, as provided in the Privacy Policy Statement. CAMCI ensures that the rights of clients are protected.

CORPORATE GOVERNANCE

The Company is committed to the principles of good governance and recognizes their importance in safeguarding shareholders' interests and in enhancing shareholder value. The Company has adopted a Manual on Corporate Governance to institutionalize the principles of good corporate governance in the entire organization in order to ensure the essential level of transparency. The Manual seeks to strengthen corporate working and internal controls without any way stifling entrepreneurship and

business judgment. It aims to safeguard, by various measures and practices, the interests of diversified stakeholders by ensuring that the duties and responsibilities of those having significant say in the affairs of the Company are discharged with propriety and the desired degree of accountability.

Commission of any violation of the Manual on Corporate Governance is punishable by a penalty ranging from reprimand dismissal, depending on the frequency of commission as well as the gravity thereof.

The Company evaluates the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance through the Corporate Governance Self Rating Form. Further, internal audit and compliance units of the Company ensure that the Company fully complies with the adopted leading practices on good corporate governance.

There has been no reported incident of any deviation from the Company's Manual of Corporate Governance.

Management continuously promotes a positive ethical business culture in the performance of its duties and responsibilities for the protection of shareholders and creates an environment conducive to the achievement of satisfactory financial results and sustainable growth.

Moreover, the company is prepared to take further steps to enhance adherence to principles and practices of good corporate governance.

ANNEX A
Compensation Information

Compensation of Directors

All directors as a group:

Name	Year	Salary (per diem)	Bonus (profit share)	Others	Total
Total Compensation of all	Projected 2026	865,000			865,000
the Directors and	Actual 2025	865,000	424,635		1,289,635
Corperate Secretary	Actual 2024	845,000	429,771		1,274,771

Directors and the Corporate Secretary of the Fund receive a per diem of P5,000 for attendance at Annual Stockholders' Meetings, regular Board meetings, and special Board meetings.

In addition, the Company's directors are entitled to a profit share equivalent to 1% of the Company's net income before tax. Provided, however, that the total operating expenses of the Company, including such profit share distribution, shall not exceed ten percent (10%) of its total net worth.

For the year 2025, Cocolife Fixed Income Fund, Inc. (CFIFI) will declare a profit share amounting to P424,635, to be distributed equally among the directors. In 2024, the Company declared a profit share of P429,771, which was likewise distributed equally among the directors.

Management is unable to project the profit share for 2026, as this will depend on the Fund's net income before tax for the current year. This, in turn, may be affected by various factors, including market valuations and net sales.

The Chairman of the Compensation Committee is Mr. Federico Luis Maria M. Escaler and the members are Atty. Jose Martin A. Loon and Atty. Paulo N. Rabanal.

ANNEX B
Security Ownership of Certain Record and Beneficial Owners

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of December 31, 2025.

Title of Class	Name and Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Units	% to Total Outstanding
Common	COCOGEN INSURANCE, INC. One Corporate Center, Meralco Ave, Ortigas Center, Pasig Stockholder	Cocogen Insurance, Inc.	Filipino	51,100,156	19.72%
Common	COCOLIFE (IRF) Cocolife Bldg, Ayala Avenue, Makati City Stockholder	United Coconut Planters Life Assurance Corporation	Filipino	34,652,599	13.38%
Common	SMART COMMUNICATIONS EMPLOYEES MULTI-PURPOSE COOPERATIVE 5th floor Smart Tower 1, 6799 Ayala Ave., Makati City Stockholder	SMART Communications Employees Multi-Purpose Cooperative	Filipino	19,400,000	7.49%

The person who will exercise the voting powers over the shares of Cocogen Insurance, Inc. is Atty. David Roy C. Padin, President.

The person who will exercise the voting powers over the shares of Cocolife IRF is Atty. Martin Loon, President and CEO.

The person who will exercise the voting powers over the shares of Smart Communications Employees' Multi-Purpose Cooperative is Jovi Fragata, General Manager.

Security Ownership of Management

The beneficial ownership of the Company's directors as of December 31, 2025 are as follows:

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percent to Total Outstanding
Common	Eduardo SL. Oban, Jr.	Filipino	Direct	1,000	0.0004%
Common	Ramon Manuel G. De Claro	Filipino	Direct	210,506	0.0813%
Common	Jose Martin A. Loon	Filipino	Direct	1,561	0.0006%
Common	Carolina G. Diangco	Filipino	Direct	3,244,547	1.2524%
Common	Reinier Paul R. Yebra	Filipino	Direct	1,000	0.0004%
Common	Mikaela T. Monsalud	Filipino	Direct	1,000	0.0004%
Common	Jose Antonio Rafael G. Santos	Filipino	Direct	1,000	0.0004%
Common	Arturo B. Ortiz	Filipino	Direct	1,000	0.0004%
Common	Federico Luis Maria M. Escaler	Filipino	Direct	1,000	0.0004%
Common	Rex D. Lampa	Filipino	Direct	0	0.0000%
Common	Ryan Anthony S. Malit	Filipino	Direct	0	0.0000%

ANNEX C
Profile of the Prospective Investors

The Fund has the following profile of prospective investors:

Corporate Retirement Builder		
New Accounts	**11,680,000.00**	**7.30%**
Board Referral Accounts	**36,000,000.00**	**22.50%**
Existing Accounts	**56,000,000.00**	**35.00%**
Retail Retirement Builder		
New Accounts	**12,800,000.00**	**8.00%**
Board Referrals/Personal	**16,800,000.00**	**10.50%**
Existing Accounts	**19,200,000.00**	**12.00%**
Dormat Accounts Activation	**1,600,000.00**	**1.00%**
PIA thru Salary Deduction	**5,600,000.00**	**3.50%**
OFW PIA	**320,000.00**	**0.20%**
TOTAL	**160,000,000.00**	**100.00%**

ANNEX D
Financial Highlights

The highlights of the Company's financial statements are as follows:

	Year Ended December 31		
	2025 (Audited)	2024 (Audited)	2023 (Audited)
Gross Investment Income	69,829,299.00	67,096,464.00	67,894,077.00
Total Expenses	27,790,467.00	24,549,178.00	23,282,825.00
Provision for income Tax	7,579,011.00	7,626,306.00	7,005,877.00
Net Income	34,459,821.00	34,920,980.00	37,605,375.00
Total Assets	941,476,574.00	952,682,906.00	919,430,628.00
Total Liabilities	8,888,941.00	13,218,613.00	10,762,369.00
Net Assets	932,587,633.00	939,464,293.00	908,668,259.00
NAVPS	3.5997	3.4677	3.3379

Jonavell B. Santiago
Partner
CPA Reg. No. 0154806
TIN 443-050-313
PTR No. 10770775, January 2, 2026, Makati City
BIR AN 08-002551-049-2023 (until November 14, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-023 (until Aug. 12, 2027)

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of December 31, 2025 (Audited)

Cocolife Fixed Income Fund, Inc.'s net assets stood at P932.59 million as of December 31, 2025, representing a 0.73% decline from P939.46 million as of December 31, 2024.

Gross investment income for the year increased by 4.07% to P69.83 million, up from P67.10 million in 2024. Interest income remained the primary contributor, rising by 3.22% to P66.15 million from P64.08 million in the previous year. Gains on the sale of financial assets at fair value through profit or loss (FVTPL), however, declined by 67.33% to P0.98 million from P3.01 million in 2024. Despite this, the Fund recognized fair value gains amounting to P1.22 million and other income totaling P1.47 million during the year.

Total expenses increased by 13.20% to P27.79 million from P24.54 million in 2024.

As a result, net investment income for 2025 amounted to P34.46 million, slightly lower by 1.32% compared to P34.92 million in the prior year.

The Fund's Net Asset Value per Share (NAVPS) increased by 3.81%, closing at 3.5997 as of end-2025, compared to 3.4677 as of end-2024.

The Philippine peso bond market in 2025 was characterized by a broad downward trend in yields, driven by a decisive shift toward monetary easing. Following a period of elevated interest rates aimed at curbing post-pandemic inflation, the market transitioned into a more dovish phase as price pressures subsided. By year-end, local bond yields had declined by approximately 48 basis points compared to 2024 levels. Benchmark yields—particularly across short- to medium-term tenors—compressed significantly as investors priced in a sustained cycle of policy rate cuts, reflecting the prevailing view that the peak of the inflation cycle had passed.

Trading activity in the fixed income market intensified amid improving sentiment, as market participants moved to lock in yields in anticipation of further monetary easing. This surge in activity contributed to heightened liquidity conditions, even as investor optimism was tempered by external uncertainties, including evolving U.S. trade policies.

Macroeconomic conditions in 2025 reinforced this shift in the bond market. The Philippine economy grew by approximately 4.4%, moderating from 5.6% in 2024 and prompting the Development Budget Coordination Committee (DBCC) to revise its growth target downward to 5.5%–6.5%. The slowdown was largely attributed to reduced government spending amid infrastructure-related corruption probes, as well as the impact of successive typhoons on key sectors such as agriculture.

In contrast, inflation provided a supportive backdrop for fixed income markets. Headline inflation consistently trended within—or even below—the Bangko Sentral ng Pilipinas (BSP) target range of 2.0%–4.0%, reaching a multi-year low of 1.3% in May 2025. This benign inflation environment, supported by rice subsidies and stable global oil prices, enabled the BSP to begin a series of policy rate cuts aimed at stimulating domestic demand.

Despite underlying resilience, the labor market remained vulnerable to climate-related disruptions. A series of severe storms toward year-end pushed unemployment to 4.4% in November, displacing nearly 873,000 workers. In response, the government accelerated initiatives to transition the workforce toward more climate-resilient sectors, including Business Process Outsourcing (BPO) and tourism, under the Philippine Innovation Act.

Investor confidence was also affected by domestic governance concerns and softer-than-expected economic performance, leading to reduced foreign participation amid broader global uncertainties. In response, the BSP implemented a series of five consecutive 25-basis-point rate cuts beginning in April 2025, bringing the policy rate to 4.5% by December. These actions served as a critical—albeit complex—driver in supporting economic recovery and anchoring market expectations.

On the supply side, the Bureau of the Treasury (BTr) actively managed domestic liquidity conditions through strategic issuance adjustments. By the fourth quarter of 2025, the government reduced its domestic borrowing program by more than 36% quarter-on-quarter. This contraction in bond supply, combined with robust secondary market activity—totaling approximately ₱12.68 trillion for the year—created a highly liquid environment. The interplay of reduced issuance and strong demand established a "virtuous cycle" that supported bond prices and helped stabilize yields despite external volatility.

Looking ahead, the outlook for 2026 remains constructive for the Philippine fixed income market. With inflation expected to remain anchored and the BSP nearing the end of its easing cycle, peso-denominated bonds continue to offer attractive yields in the range of 4.8% to 6.2%, especially when compared to developed market alternatives. While the Philippine peso may remain sensitive to U.S. dollar strength, a potential appreciation in the first half of 2026 could help attract renewed foreign inflows into the fixed income market.

The BSP's data-driven approach to monetary policy will remain crucial in balancing inflation management with growth support. Against this backdrop, Cocolife Fixed Income Fund, Inc. remains committed to disciplined portfolio management, with a focus on capital preservation and the delivery of stable, consistent income for investors.

Key Performance Indicators

1. Performance vis-à-vis the Benchmark – As of December 31, 2025, the Fund registered a year-to-date return of 3.22% vs the benchmark yield of 4.44%, the 2025 average PDST-R2 1yr, net.

2. Portfolio Quality - 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 that generate regular interest income.

3. Net Assets Growth vis-à-vis Industry Growth – Peso Bond Fund industry registered a decrease in net assets by 3.37% to P47.25 billion from P48.91 billion in 2024. Likewise, Cocolife Fixed Income Fund, Inc.'s net assets decreased by 1.26% from P939.46 billion in 2024 to 927.59 million in 2025.

4. Market Share in the Industry – The Fund held a 1.96% share of the P47.26 billion total net assets value of peso bond funds based on PIFA's December 2025 report.

5. Sales and Redemptions – The Fund had total sales of P90.97 million less redemptions of P132.30 million, resulting to net redemptions of P41.34 million as of December 31, 2025.

As of December 31, 2024 (Audited)

Cocolife Fixed Income Fund, Inc.'s net assets settled at P939.46 million in end-2024, 3.39% higher than P908.67 million registered in end-2023.

Meanwhile, the Fund's gross investment income dropped by 1.17% to P67.10 million in end-2024 from the P67.89 million seen in 2023. Broken down, interest income tallied P64.08 million, 13.81% larger than the P56.31 million in 2023. Gain on sale of financial assets at fair value through profit or loss (FVTPL) was recorded at P3.01 million in 2023.

On the other hand, expenses climbed by 5.44% from P23.28 million in 2023 to P23.28 million in end-2024 amidst lower management.

Consequently, the Fund registered a net investment income of P34.92 million, 7.14% lower than the P37.61 million in 2023.

As for the fund, Cocolife Fixed Income Fund, Inc.'s Net Asset Value per Share (NAVPS) climbed by 3.89% to 3.4677 in 2024 compared to 3.3379 by end-2023.

Local bond yields ascended higher than end-2023 levels by 25 basis points (bps). The year's higher yields were a turnaround from the 2023's plunge of 15-bps against end-2022 figures. Trading activities in the local fixed income market toned up amid the lower volume offered by the Bureau of Treasury (BTr) along hitting its target borrowing for 2024 and enduring speculations of lower interest rates for 2025. The interest rate and inflation environment remained highlights of the sentiments of the market. Albeit the improvement of the local fundamentals, the prospective risks emanating from the presidential victory of Donald Trump in November resulted to near-term aversion of the market.

The year was anticipated as the successive period of major central bank to streamline further policy rate normalization. However, as the recurring risks overseas linger the global façade, the paradox of another obscure policy directionality was observed in the first semester of the year. The confluence of higher commodity prices from the dry spell of agricultural products coupled with the hostile uptick in price of imported crude oil ensued to veil the clear path not only for the local central bank but major monetary authorities across the globe.

In 2024, the headline inflation averaged to 3.2%, which settled near the mid-point of the government's 2.0% to 4.0% target. The local data peaked at 4.4% in July on the back of higher year-on-year growth in food and energy prices. Notably, the inflation print descended to its year-low of 1.9% in September, going below the government target, before it gradually gained strength and concluded to 2.9% in December.

With the promising inflation trend, global central banks continued to implement sporadic monetary easing. In the local front, the Bangko Sentral ng Pilipinas (BSP) resolved to tweak its key benchmark rates to reduce the key rate to 5.75% in 2024. The proactive action of the local central bank tallied the cumulative rate reductions to 75 bps, following two quarter-point cuts each at the August and October meetings. BSP Governor Eli Remolona Jr. said he is keeping his intention to take "baby steps" when it comes to easing amid persistent price pressures. On the other hand, the US Federal Reserve cut its overnight borrowing rate to a target range of 4.25% and 4.50%, back to the level before the monetary tightening started in 2022. The Fed's relaxation cycle in 2024 saw three consecutive reductions, a quarter-of-a-point in December, another 25-bps in November and a hefty 50-bps in September.

Along the sustained external and domestic headwinds, treading the market may come in with tepid activity with analysts' expectations of slower rate cuts alongside US President-elect Donald Trump's tariff policy posting a variety of market risks. We may expect volume to remain subdued as traders will likely stay in a wait-and-see approach. Analysts anticipate the BSP to continue easing policy in 2025, implementing gradual rate cuts potentially 50 to 75 bps in magnitude taking into consideration global inflation risks and the peso's stability. The central bank will continue monitoring inflation and growth factors in its data-driven approach to monetary policy.

Key Performance Indicators

1. Performance vis-à-vis the Benchmark – As of December 31, 2024, the Fund registered a year-to-date return of 3.90% vs the benchmark yield of 4.80%, the 2024 average PDST-R2 1yr, net.

2. Portfolio Quality - 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 that generate regular interest income.

3. Net Assets Growth vis-à-vis Industry Growth – Peso Bond Fund industry registered a decrease in net assets by 2.63% to P48.91 billion from P50.23 billion in 2023. Meanwhile, Cocolife Fixed Income Fund, Inc.'s net assets increased by 3.40% from P908.67 billion in 2023 to P939.57 billion in 2024.

4. Market Share in the Industry – The Fund held a 1.92% share of the P48.91 billion total net assets value of peso bond funds based on PIFA's December 2024 report.

5. Sales and Redemptions – The Fund had total sales of P76.36 million less redemptions of P80.48 million, resulting to net redemptions of P4.12 million as of December 31, 2024.

As of December 31, 2023 (Audited)

Cocolife Fixed Income Fund, Inc.'s net assets settled at P908.67 million, 8.11% lower than P988.90 million registered in end-2022.

Meanwhile, the Fund's gross investment income surged by 44.40% to P67.89 million in end-2023 from the P47.02 million seen in 2022. Broken down, interest income tallied P56.31 million, 23% higher than the P45.90 million in 2022. Gain on sale of financial assets at fair value through profit or loss (FVTPL) was recorded at P7,587,965 in 2023. Likewise, other income increased to P3.02 million from P133,609 in 2022.

Likewise, expenses declined by 20% from P29.09 million in 2022 to P23.28 million in end-2023 amidst lower fees and the absence of fair value loss on financial assets at FVTPL.

Consequently, the Fund registered a net investment income of P37.61 million, 120% higher than the P12.55 million in 2022.

As for the fund, Cocolife Fixed Income Fund, Inc.'s Net Asset Value per Share (NAVPS) climbed by 4.02% to 3.3379 in 2023 compared to 3.2089 by end-2022.

In 2023, yields toppled downhill, plunging by 15 basis points (bps) from end-2022 levels. The downtrend reversed the previous year's substantial surge of yields by 274 bps in 2022. The improvement in the inflation and interest rate façade by the latter part of the year barred further pessimism of most market players. With hopes of a better financial scene shying from the COVID-19 pandemic, appetite soared despite the recurring external headwinds.

Markedly, local level paralleled the drop in global bonds' yields alongside market expectations that the inflation façade could decline, and economic growth recover further moving towards 2024. This confluence of events could reinforce most central banks to draw back their respective interest rates to current record highs. The headline inflation averaged to 6.0% in 2023, once again missing the government's target for the third consecutive year as it lingered above the 2.0-4.0% target range. The local data peaked at 8.7% in January on the back of higher annualized growth for food, transport, and energy prices before it gradually declined to 3.9% in December.

In a bid to further cushion the adverse impact of stubbornly high inflation, global central banks continued to implement aggressive monetary tightening. The US Federal Reserve led the insistent stance to tweak its federal funds rates by 100 bps, ending 2023 between 5.250% and 5.500%. Locally, the Bangko Sentral ng Pilipinas (BSP) similarly raised policy rates by 100 bps to end the year with a ceiling rate of 6.50% in hopes to tame inflation. More so, the

local central bank remained steadfast and noted that interest rates may remain higher-for-longer in the meantime unless a breakthrough in the inflation rate surfaces to end the hawkishness speech.

Albeit hopes of policy rates and inflation normalization, the start of the policy relaxation remains imprecise, with the potential start be after the US counterpart commence cutting rates. The BSP reassured that they will be vigilant and opened the high chances of a rate cut in the second half of 2024. It is just that the timetable rests questionable unless new leads and rhetorics stems out the policymakers soon. Hence, we are still imparting confidence of a better run and performance for the year.

Key Performance Indicators

1. Performance vis-à-vis the Benchmark – As of December 31, 2023, the Fund registered a year-to-date return of 4.02% vs the benchmark yield of 4.8054%, the 2023 average PDST-R2 1yr, net.

2. Portfolio Quality - 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 that generate regular interest income.

3. Net Assets Growth vis-à-vis Industry Growth – Peso Bond Fund industry registered a decrease in net assets by 2.13% to P50.2 billion from P51.3 billion in 2022. Meanwhile, Cocolife Fixed Income Fund, Inc.'s net assets decreased by 8.46% from P988.9 billion in 2022 to P905.3 billion in 2023.

4. Market Share in the Industry – The Fund held a 1.80% share of the P50.2 billion total net assets value of peso bond funds based on PIFA's December 2023 report.

5. Sales and Redemptions – The Fund had total sales of P225 million less redemptions of P343 million, resulting to net redemptions of P118 million as of December 31, 2023.