



Cocolife Fixed Income Fund, Inc.

September 2026

Fund Objective

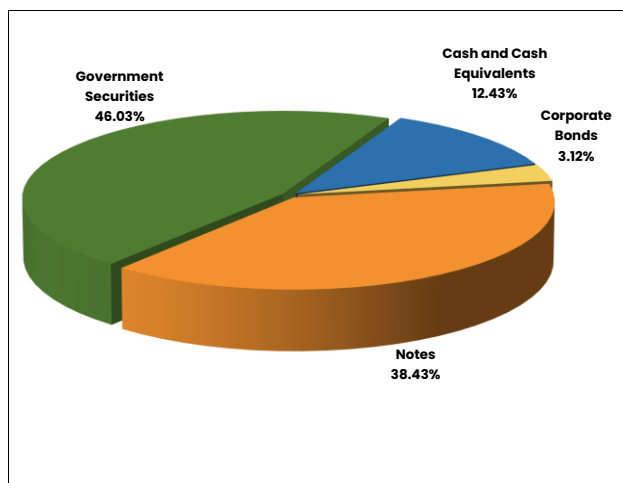
Cocolife Fixed Income Fund, Inc. is an income-oriented mutual fund, which seeks to generate regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments through a diversified portfolio of corporate bonds, government securities and other fixed income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

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 886.46 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	12.43%		
Corporate Bonds	3.12%	0.00%	
Notes	12.85%	7.35%	18.23%
Government Securities		27.42%	18.61%

Remaining Maturity (years) 4.37

Market Recap and Outlook

Local bond yields rose by an average of 120 basis points (bps) versus end-2025 levels in September, while increasing by 32 bps month-on-month, as the government securities (GS) market remained under pressure amid elevated inflation risks and volatile global interest rates. The market initially came under pressure from higher US Treasury yields, rising oil prices, peso depreciation, and renewed US-Iran tensions, which raised concerns over imported inflation and pushed investors to demand higher yields. GS yields saw periods of recovery as softer UST yields, lower oil prices, and a firmer peso encouraged selective buying, although gains were later pared as external and domestic pressures resurfaced. Market activity was also shaped by government supply, with weak demand at some Treasury auctions reflecting investor selectivity at prevailing yield levels, while the cancellation of the scheduled 5-year FXTN auction provided some near-term support. Toward month-end, the launch of the new 2.5-year RTB prompted repositioning at the short end of the curve as investors assessed its pricing against existing securities. Overall, persistent inflation concerns, currency weakness, elevated global yields, and continued government borrowing requirements kept investors cautious and contributed to higher yields by month-end.

For the month, the Bureau of the Treasury (BTr) raised a total of P234 billion through Treasury bill (T-bill) auctions as investor demand for short-term government securities remained firm despite expectations of tighter monetary conditions following the BSP's policy rate hike. In its final auction for the month on September 28, the BTr fully awarded all offered securities, raising P52 billion despite investors demanding higher yields across all tenors. The 35-day and 63-day Treasury bills fetched average rates of 5.1150% and 5.2910%, with P6.28 billion and P6.1 billion awarded, respectively. Meanwhile, the 90-day T-bills were awarded at an average rate of 5.5350%, with P17.354 billion accepted. The 182-day and 364-day T-bills were fully awarded at average rates of 5.8620% and 6.1150%, respectively, with P15 billion and P7 billion accepted.

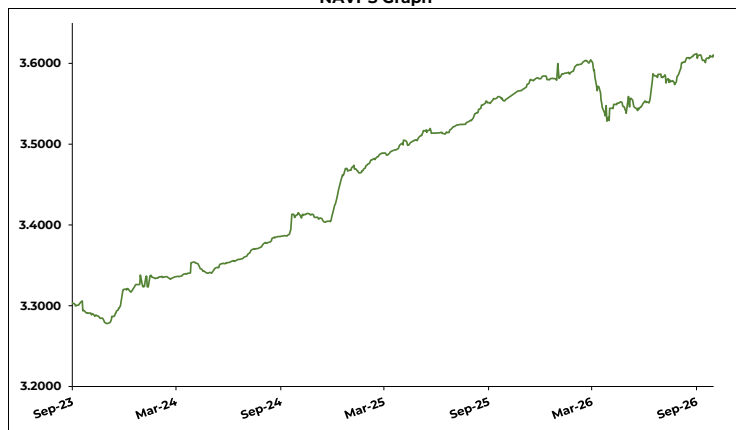
The Bureau of the Treasury (BTr) also raised a total of P171.16 billion from its bond auctions in September. In its latest offering on September 28, the BTr offered P100 billion worth of Retail Treasury Bonds (RTBs), accepting P84.866 billion at an average rate of 6.8040%. The offering attracted strong demand, with total tenders reaching P188.637 billion, reflecting robust investor interest in the new issue.

Meanwhile, the BSP's Term Deposit Facility (TDF) auctions accumulated a total of P571.48 billion during September. In its latest auction on September 30, the BSP offered P120 billion in 7-day term deposits, accepting P95.41 billion. Total tenders reached P95.49 billion, while the average accepted rate settled at 5.0066%.

Peso bond yields are expected to remain elevated in October as persistent inflation risks, elevated oil prices, peso weakness, and higher global yields continue to weigh on the market. Expectations of further BSP tightening may keep investors cautious, while upcoming bond supply could add to yield pressures. However, a stabilization in oil prices and the peso, alongside any moderation in US Treasury yields, could provide room for selective buying and limit further upward movement in local yields.

FUND PERFORMANCE

NAVPS Graph



September 30, 2026 NAVPS	Year-to-date Return
3.6104	0.30%

	Compounded Annual Return	Cumulative Return
One-year	1.56%	1.56%
Three-year	3.14%	9.72%
Five-year	2.18%	11.40%

* Figures of the funds' performance were based on the fund's actual returns as of September 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.

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The Philippine Economy at a Glance

GROSS DOMESTIC PRODUCT	FOREIGN EXCHANGE	INFLATION RATE	UNEMPLOYMENT RATE	BSP POLICY RATES	CREDIT RATINGS
 2.80% 1Q2026	September 2026  P62.64/\$ (0.59% weaker FTM) (6.55% weaker YTD)	7.2% (AUGUST 2026) (based on 2018 prices) 	 6.0% (JUNE 2026)	5.50% (lending rate) 5.0% (borrowing rate) 4.50% (overnight deposit) 	 BBB+ (Standard and Poor's) BBB (Fitch Ratings) Baa2 (Moody's Investor)

Macroeconomic Updates

Inflation accelerates sharply in September. The Philippines' inflation rate rose to 7.2% in September from 6.1% in August, ending a four-month easing streak as faster increases in food and utilities costs pushed overall price pressures higher. Food and non-alcoholic beverages inflation accelerated to 6.7%, while the year-to-date average inflation reached 5.4%, remaining above the government's 2%–4% target range.

Unemployment rises sharply in July. The Philippines' unemployment rate climbed to 6.0% in July from 4.9% in June, reaching its highest level since 2022 as more Filipinos entered the labor force than could be absorbed by the job market. The number of unemployed rose to 3.14 million, while the underemployment rate also increased to 12.9% from 12.1%, reflecting continued weakness in labor market conditions amid subdued economic growth.

BSP considers another rate hike. The Bangko Sentral ng Pilipinas (BSP) may deliver another 25-basis-point rate hike as it responds to persistent inflation and external pressures. The potential move reflects concerns over a weaker peso, elevated oil prices, and global financial volatility, while the BSP also weighs the impact of higher borrowing costs on economic growth. With the policy rate already at 5.0%, further tightening would depend on how inflation and external risks develop.

BOP remains in deficit in August. The Philippines' balance of payments (BOP) swung to a \$596-million deficit in August 2026 from a \$359-million surplus a year earlier, bringing the January-August deficit to \$5.94 billion. The shortfall was driven by the persistent trade-in-goods deficit and net foreign portfolio investment outflows amid global financial market volatility, particularly geopolitical uncertainty. These were partly offset by sustained personal remittances, government external borrowings, trade in services, and foreign direct investments.

GIR rises in August. The Philippines' gross international reserves (GIR) increased by 1.4% month-on-month to \$104.8 billion in August from \$103.3 billion in July, supported by higher gold prices and income from the BSP's foreign investments. Despite the increase, reserves remained below the \$107.1 billion recorded a year earlier and the record-high \$113.3 billion reached in February 2026, partly due to foreign exchange market intervention and external debt payments. The August GIR level was equivalent to 6.8 months of imports and 3.7 times the country's short-term external debt, remaining above the BSP's three-month adequacy benchmark and providing a buffer against external shocks.

FDI inflows decline in June. The Philippines' net foreign direct investment (FDI) inflows fell to \$447 million in June from \$638 million in May, although they remained higher than the \$331 million recorded a year earlier. The decline reflected weaker net investments in debt instruments and a shift to net equity outflows, partly offset by increased reinvestment of earnings. This brought first-half FDI inflows to \$3.38 billion, down 17.8% from a year earlier, with investments mainly coming from Japan, the United States, and Singapore and directed toward manufacturing, financial and insurance, and real estate.

Remittances strengthen in July. The Philippines' cash remittances from overseas Filipinos rose to a seven-month high of \$3.24 billion in July 2026, up from \$3.04 billion in June and \$3.18 billion a year earlier. This brought year-to-date cash remittances to \$20.39 billion, a 2.3% increase from the same period in 2025, with the United States remaining the largest source. Personal remittances likewise increased to \$3.60 billion, supporting household consumption and domestic economic activity.

Peso ends weaker in September. The Philippine peso closed at ₱62.64 per US dollar on September 30, weakening from ₱62.27 at the end of August. The currency remained under pressure as elevated US Treasury yields, oil prices, and geopolitical tensions supported the US dollar and raised concerns over imported inflation. Although the peso recovered at times as oil prices and geopolitical risks eased, renewed tensions toward month-end kept the currency under pressure.

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