COCOLIFE

December 2021

PESO EQUITY FUND

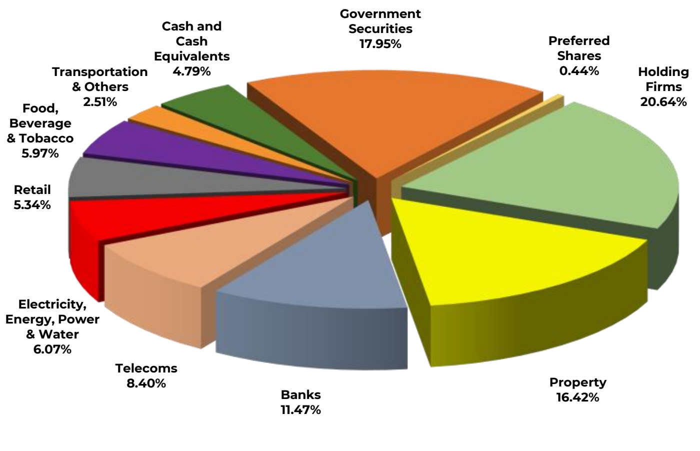
INVESTMENT OBJECTIVE

The Peso Equity Fund seeks to maximize income consistent with its policy to preserve capital and to maintain liquidity of investments through a diversified portfolio of high-quality listed equity issues – blue chips and growth stocks listed in the Philippines Stock Exchange.

KEY FIGURES

NAVPU as of December 31, 2021	**1.7435**
Inception Date	December 2006
Fund Classification	Equity Fund
Domicile	Republic of the Philippines
Fund Currency	Philippine Peso

PORTFOLIO COMPOSITION



TOP 10 EQUITY HOLDINGS

Company	Sector	% of the Fund
SM Prime Holdings, Inc.	Property	6.63%
Ayala Land, Inc.	Property	6.28%
SM Investments Corporation	Holding Firms	6.21%
Ayala Corporation	Holding Firms	5.81%
PLDT, Inc.	Telecoms	3.66%
Metropolitan Bank & Trust Co.	Banks	3.39%
Universal Robina Corp.	Food, Beverage & Tobacco	3.28%
Wilcon Depot, Inc.	Retail	3.22%
Globe Telecom, Inc.	Telecommunications	3.17%
Bank of the Philippine Islands	Banks	2.99%

HISTORICAL PERFORMANCE

	Annual Return	Cumulative Return
One-year	**2.67%**	**2.67%**
Three-year	**-0.37%**	**-1.11%**
Five-year	**1.62%**	**8.37%**

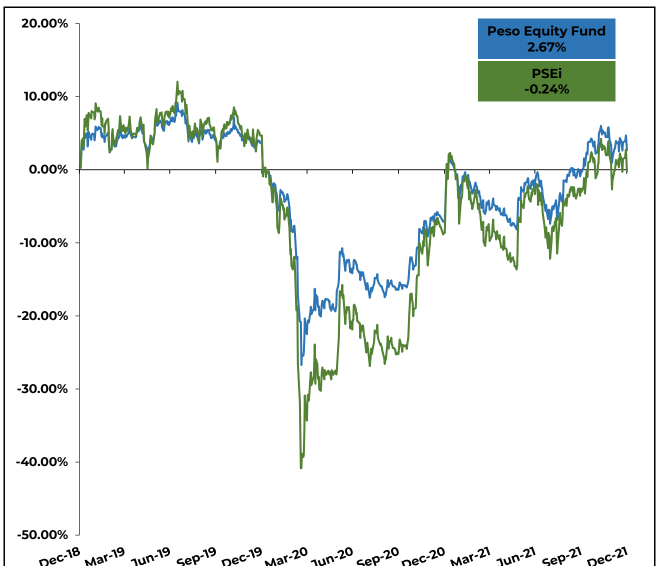
MARKET RECAP AND OUTLOOK

The Philippine Stock Exchange index (PSEi) dropped by 1.09% to close at 7,122.63 last December 31 from the 7,201 in end-November. On a year-to-date basis, the PSEi also fell short by 0.24% from the end-2020 finish of 7,140. The index rode Santa's sleigh with much optimism as COVID-19 cases eased in most of December alongside the implementation of Alert Level 2 in most provinces. Though, it became melancholic with the PSEi failing to hold its way to higher territories in the wake of the entry of the Omicron-variant in the county. Despite the mixed response seen in the facade, the country's foreign flows settled at a net inflow of P86.20 billion, earmarking the highest net buying in a month. Accordingly, the 12-month tally resulted in a P4.78 billion net inflow, overturning the P118.85 billion for full-year 2020.

Trading opened December with amassed selling pressure, plunging towards the 6,900-level on worries over the effectiveness of vaccines against the Omicron strain, and the doubt over the government's pandemic response. More so, the Bloomberg COVID-19 Resilience Ranking released previously showed that the Philippines remained to be the worst place to be during the pandemic, ranking low for the third straight month, followed by neighbors Indonesia, Vietnam, and Malaysia. Markedly, most markets followed such trend, struggling to find direction in the absence of solid information about the new variant. The World Health Organization even warned Asia-Pacific countries to boost healthcare capacity and fully vaccinate their people to prepare for a new surge in the COVID-19 cases globally. However, the weakness seen in the market early in the month waned as the Omicron fears subsided. Initial data reports from the variant's origin in South Africa declared that cases do not show a significant surge of hospitalization, which could denote its lesser lethality as compared to its predecessors. With ample room for businesses to be more proactive, analysts even noted improving prospects in the economy. For instance, the Asian Development Bank raised its growth outlook on the Philippines as the country remains on a steady growth path, attributed to the vaccination program and declining COVID-19 cases in the country. Through the Asian Development Outlook 2021, the multilateral lender bank says gross domestic product (GDP) will likely grow by 5.1% this year and by 6% in 2022, higher than its forecasts of 3.5% for 2021 and 5.5% for next year given in September. More so, the PSEi took optimism on news that the country improved its pandemic resilience ranking. Bloomberg noted that the Philippines has finally inched up three spots from being the worst country to be in the time of the pandemic after being at the bottom of the list for three consecutive months. Towards the end of the month, the budding euphoria of most traders was cut short after the country logged its first two cases of the Omicron variant. Local stocks lost previous gains as investors assess the damage caused by Typhoon Odette, which may affect economic growth. The Agriculture Department estimated the preliminary damage to crops in the Visayas and Mindanao areas at around P333.40 million. Philippine shares concluded the year spiraling downwards as COVID-19 daily cases once again grew at an alarming pace with a positivity rate of 6.6%, higher than the World Health Organization's benchmark of below 5%.

For January 2022, the local stock index may continue to trade within the 6,900 to 7,300 levels as players continue to digest recent developments at home. With the sudden spread of Omicron and rising COVID-19 cases in the country, investors may monitor the guidelines to be announced by the government after reimposing Alert Level 3 in Metro Manila. Unless cases are curbed back to mid-December levels, the vigilance and non-aggression to the façade would dominate in the meantime. Traders may await the fourth-quarter corporate earnings releases to spark optimism and validate prospects of better growth in the coming months.

FUND PERFORMANCE vs BENCHMARK



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