COCOLIFE

January 2025

DOLLAR BOND FUND

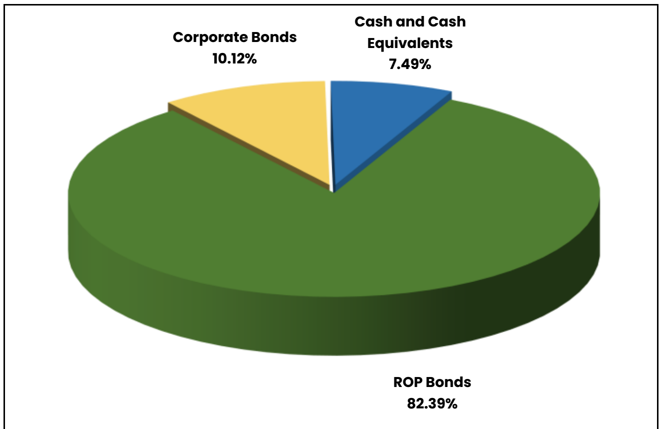
INVESTMENT OBJECTIVE

The Dollar Bond Fund seeks to generate regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments. The fund shall be invested primarily in dollar-denominated fixed-income instruments ranging from debentures, money market instruments and government securities.

KEY FIGURES

NAVPU as of January 31, 2025	**1.4116**	**Domicile**	Republic of the Philippines
Inception Date	December 2006	**Fund Currency**	US Dollar
Fund Classification	Bond Fund		

PORTFOLIO COMPOSITION



HISTORICAL PERFORMANCE

January 31, 2025

NAVPU		Year-to-date Return
1.4116		0.13%
	Annual Return	**Cumulative Return**
One-year	-0.19%	-0.19%
Three-year	-2.31%	-6.78%
Five-year	-2.06%	-9.91%

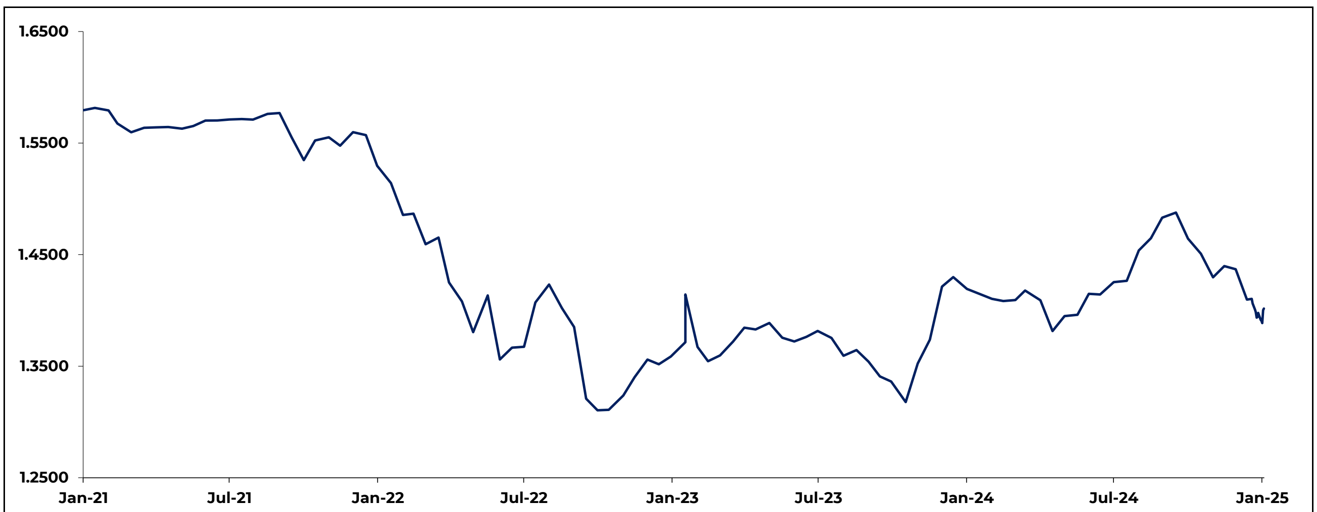
MARKET RECAP AND OUTLOOK

Prices of Philippine sovereign US-denominated bonds (ROP bonds) were almost flat and unchanged from end-2024 levels to earmark a feeble 0.02% ascent. Meanwhile, yields of US Treasury were slightly on the downside to decline by less than a basis point from end-2024 close data. Markets highlighted the inauguration of US President Donald Trump along his radical and protectionist agenda. Most analysts view the preliminary course of action stemming from his fiscal policies could sequester global growth and result in another ballooning of commodity prices. On the lines of US economic growth, the US Federal Reserve maintained its benchmark interest rate at a range of 4.25% and 4.50%, citing the country's economic activity has been steadily expanding steadily coupled by the stable labor data. With anticipations of drastic pressures specifically on the inflation environment, the US Fed hinted two rate cuts this year along the goal of putting the federal funds rate to 3.9% by the end of 2025. US Fed Chair Jerome Powell mentioned that the central bank does not have to be in a hurry to change its monetary policy and the ramifications of Trump's ideas regarding immigration, tariffs, and other issues would be a crucial part for their resolve moving forward.

As worries about persistent inflation give way to concerns about weak economic growth, the European Central Bank (ECB) has lowered interest rates and maintained the possibility of additional policy easing. It was the sixth ECB cut since June putting the primary rate of ECB to 2.75%. Along with this, markets anticipate two or three more rate cuts from the bank this year, fueled by claims that the weakening economy needs help and that the largest inflation spikes in decades is almost over. The ECB welcomed weaker wage growth, which should help decrease inflation in the domestically focused sector of the economy and confirmed that disinflation was well on track. Spain was the only one of the big four countries in the Eurozone with a growth rate after the economies of France and Germany both shrank in the last quarter of 2024 while Italy remained stagnant. The ECB is anticipated continuing on its easing course even after the US Federal Reserve kept rates constant and hinted at a protracted pause, as the euro zone economy stagnated in the last quarter of 2024 due to an industrial slump and sluggish consumption. Though his threats have clouded the future, ECB officials are likely to have sighed with relief at their meeting when US President Donald Trump's new administration did not apply blanket trade penalties as expected.

The market will likely see more fluctuations depending on the economic data and fiscal policy developments in the coming month. Analysts perceived that the tighter tariff policies from the current US administration may push inflation to persist beyond the 2.0% desired target following a 2.6% uptick in December. After keeping the rates steady, the Fed noted inflation remains elevated, unemployment is stable at a low level, and labor market conditions are strong. They signaled no policy changes unless inflation improves or the labor market weakens. Investors anticipated the decision and don't expect another cut until June. Fed Chair Jerome Powell declined to respond to President Trump's calls for immediate rate cuts, stating he had no contact with Trump and found it inappropriate to comment.

FUND PERFORMANCE



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