December 2024

COCOLIFE ASIAN MULTI-ASSET INCOME INVESTMENT FUND

INVESTMENT OBJECTIVE & STRATEGY

COCOLIFE Asian Multi-Asset Income Investment Fund is a variable life insurance investment fund which seeks to achieve capital growth and income over the medium to longer term by investing all or substantially all its assets in a collective investment scheme that invests primarily in Asian fixed income securities and Asian equities (including real estate investment trusts).

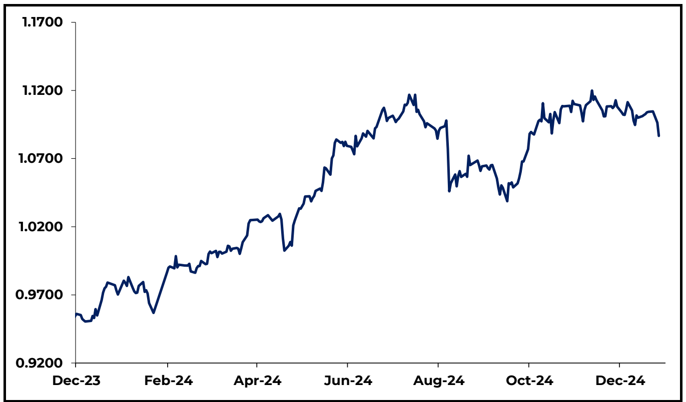
FUND FACTS

NAVPU as of December 31, 2024	1.0882	**Domicile**	Republic of the Philippines
Launch Date	February 16, 2023	**Fund Currency**	Philippine Peso
Structure	Variable Life Insurance Fund	**Fund Type**	Multi-Asset Feeder Fund

HISTORICAL PERFORMANCE

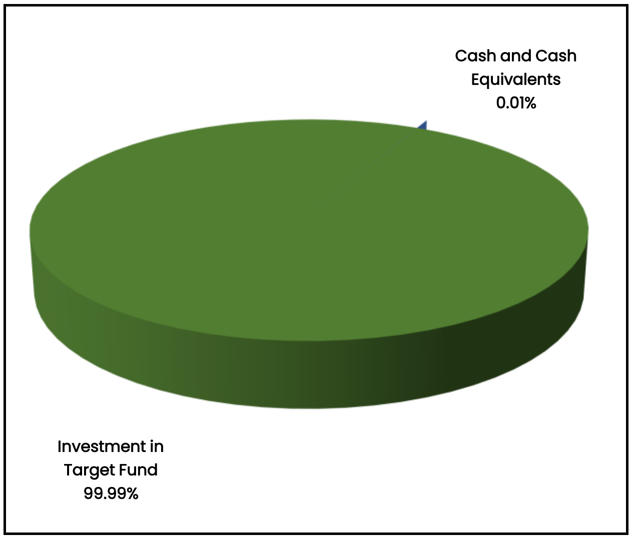
December 31, 2024

FUND PERFORMANCE



NAVPU	YTD Return	3-month Return	6-month Return	1-year Return
1.0882	11.00%	0.00%	-1.20%	11.00%

PORTFOLIO COMPOSITION



Information on the Target Fund (as of December 31, 2024)

Investment Objective

The fund's investment objective is to provide income and capital growth over the medium to longer term by investing primarily in Asian (including countries in Asia-Pacific) equities and Asian fixed income securities.

Name of Fund	Schroder Asian Asset Income Fund
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Fund Inception Date	June 27, 2011
Base Currency	Hong Kong Dollar

Asset Allocation

Asset Allocation	**Equities: 54.70%**
	Fixed Income: 35.20%
	Global ex Asia Allocation: 8.20%
	Cash: 1.90%

Cumulative Performance (%)

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	S.I.
Target Fund	-1.71%	-0.03%	0.54%	15.54%	15.12%
Benchmark	-2.07%	-1.56%	1.28%	12.97%	20.09%

Top Ten Holdings

Name of issuer	% of Total
Taiwan Semiconductor Manufacturing	4.00%
Mediatek Inc.	2.10%
Tencent Holdings Ltd.	1.30%
Hon Hai Precision Industry Ltd.	1.30%
China Construction Bank Corp H	1.30%
Woori Bank At1-P 6.375 31-Dec-2079 Reg-S (Sub)	0.70%
Meiji Yasuda Life Insurance Co Hybrid 5.8 11-Sep-2054	0.60%
Pertamina Persero PT 6.45 30-May-2044 Reg-S (Senior)	0.50%
Sumitomo Life Insurance Co Perp 5.875 31-Dec-2079	0.50%
Meituan 27-Apr-2027 Reg-S (Senior)	0.50%

Regional Exposure

Country	% of Total
China	19.20%
India	12.80%
Hong Kong	10.70%
Taiwan	9.50%
Australia	9.00%
Global ex Asia Allocation	8.20%
South Korea	6.20%
Singapore	5.10%
Indonesia	4.70%
Others	12.70%

Sector Exposure

Sector	% of Total Fund
Financials	30.20%
Technology	12.80%
Consumer Discretionary	10.50%
Utilities	8.80%
Communications	6.10%
Materials	4.40%
Energy	4.10%
REITs	3.20%
Industrials	2.80%
Others	15.20%

The Fund Manager of the Target Fund employs a risk management process which enables them to monitor and measure the risk of the positions and their contribution to the overall risk profile of the Target Fund. Although care is taken to understand and manage the abovementioned risks, the Fund and accordingly the investors will ultimately bear the risks associated with the investments of the Target Fund.

The Fund is exposed to market, liquidity, foreign currency, dividend paying, interest rate, credit default, region, derivatives, and hedging risks, which may not suit a specific group of individuals.

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COCOLIFE ASIAN MULTI-ASSET INCOME INVESTMENT FUND

Market Overview

Asian Pacific ex-Japan equities declined over the month with China and Taiwan being strong performers while Australia and South Korea saw declines. Market reactions towards China's latest Politburo announcement were largely positive, with Chinese equities rising in anticipation of improved economic conditions. Elsewhere, Taiwan equities continued to benefit from strong demand for artificial intelligence-related semiconductors. Conversely, Australian equities experienced the largest decline, hindered by uncertainty regarding the central bank's timeline for interest rate cuts and China's subdued recovery. South Korean market was affected by domestic political turmoil and concerns about business and consumer confidence. Overall, the MSCI Asia Pacific ex-Japan Index declined -1.2% in USD terms in December.

In terms of fixed income, December was a challenging month with most of November's gains reversed. US Treasury yields rose across the board as the US Federal Reserve (Fed) adopted a less dovish stance with a more moderate forecast for rate cuts in 2025. The US 10-year Treasury yield rose to 4.57%, up 36 basis points from November, while the 2-year yield rose by 9 basis points. Against such a backdrop, Asian credits declined with both investment grade and high-yield segments seeing negative returns. For reference, the JP Morgan Asia Credit Index was down over the month.

Performance Contribution and Commentary

Over the month, the Target Fund returned -1.0% net of fees. For reference, the Target Fund outperformed the reference benchmark, attributed to the Fund Manager's strong equities selection.

The equity portfolio saw positive returns in December, despite the broad index market decline. The Fund Manager's exposures to Taiwan semiconductors recovered as share prices of a leading chipmaker hit record highs amid optimism on recent artificial intelligence developments. China's state-owned-enterprise banks also rallied later in the month, driven by accommodative policy supports and their attractive dividend yields relative to Chinese government bond yields. On the negative side, their exposures to South Korean financials detracted over the month due to the rising yields and political turmoil.

The fixed-income portfolio returned negatively over the month, with both investment grade and high-yield bonds detracting amid rising yields. The Fund Manager's positions in Hong Kong real estate detracted as property transactions in Hong Kong further fell in December. Their exposures to a Thailand energy name also detracted due to concerns over delays and operational challenges on the company's ongoing oil project. On the other hand, their Singapore investment-grade financial bonds contributed positively, underpinned by a strong earnings outlook and resilient asset quality.

The overall performance of the Fund Manager's tactical futures overlay was muted. Their long positions in Taiwan equity futures gained as the rally in technology and financial sectors pushed the broader market higher. The gains were offset by losses in their long positions in India's equity futures. Indian shares fell over the month as profit-taking from foreign investors and the depreciating Indian rupee weighed market sentiments.

Asset Allocation Strategy and Outlook

As of the end of 2024, the net exposure to Asian equities was at 54.9%, while Asian bonds and global allocation were at 35.3% and 8.2% respectively. In terms of the Fund Manager's futures overlay, they initiated long positions in Hong Kong index futures (3.0%) given the Politburo committee's announcement of further economic support. They think the announcement may still boost the market sentiment with market liquidity starting to dry up and the absence of an actual tariff announcement before Trump's inauguration in late January 2025. On the other hand, they initiated short positions in Korean equities (-3.0%) as the Korean market is affected by external export slowdown and ongoing political issues that dampen the domestic outlook. Meanwhile, they continued to hold onto long positions in Indian equities (1.9%) given the Indian economy has a strong domestic focus and is less exposed to the impact of Trump's policies in 2025. They also maintained long Taiwan equities (4.2%). Exports of electronic products in Taiwan continued to grow, and sales for chip industry leaders continued to beat expectations. Their short position in US Treasury futures to manage duration risk was at -4.9%. In currencies, they maintained hedges on CNH, JPY, THB, and TWD. The net exposure to HKD and USD was maintained at 70.0%.

Outside of Asia, the Fund Manager took profits and closed their positions in US energy infrastructure. On the other hand, they added to catastrophe bonds (4.5% in total) which could provide positive diversification to their portfolio through a low correlation to traditional markets. Meanwhile, they maintained their positions in US large-cap equities (1.1%) given their base scenario of soft-landing to the US economy and positive outlook on US equities. They also held US financials (1.0%) as they should continue to benefit from a steeper curve and the potential for deregulation.

As we enter 2025, the focus shifts toward Trump-onomics, geopolitical tensions, as well as central bank's rate-cutting actions. In the US, the Fund Manager continues to expect fewer rate cuts from the Fed than the market. In the next few months, they still expect inflation to be quiescent, but there is a risk of inflation accelerating in the US as the year progresses given the likelihood of tighter immigration controls in the US leading to less slack in the labor market. Outside of the US, while there is uncertainty around Trump's widespread tariffs, they would expect more monetary stimulus from Asian trading partners, such as China, to offset this. Countries such as India and Indonesia have favorable demographics to support domestic consumption and therefore should be less exposed to the impact of Trump's policies. They continue to favor undervalued companies that show competitive edges to the global market landscape and sectors that performed well post- rate cutting cycles. Overall, they remain positive on Asia in 2025 given the strength of domestic economies but recognize volatility remains until clearer policies emerge from the newly-elected US government.

Equity Strategy and Outlook

Over the past month, the Fund Manager added to Indian commercial real estate investment trusts (REITs) given the strong office space demand in India and improving occupancy level. They also increased their exposures to a Malaysian bank, on the expectation that valuation would increase with its loan business growing faster than expected. On the other hand, they reduced Australian materials companies as the broad industrial metal sector remains weak despite optimism from China's stimulus measure.

In terms of the Asian equities outlook, tariff risk is adding uncertainty to the regional growth outlook in 2025. Investors in Asia are likely to remain cautious in their positioning until the Fund Manager has more clarity on the details of Trump's plans and the Chinese authorities' policy stance in 2025. That said, more supportive monetary policies and stable exports could potentially produce a benign backdrop for the equity market. Companies under self-focused economy and with dominating roles in the supply chain are likely to remain resilient. In Taiwan, AI-related revenue momentum remains very strong for Asian technology stocks into 2025. They remain comfortable with their positions as semiconductor industry leaders. In India, robust demand from local consumers reduces dependence on international markets and mitigates the impact of potential US tariffs on imports.

Fixed Income Strategy and Outlook

In December, the Fund Manager continued to increase their exposures in financial bonds, especially in South Korean and Indonesia markets given their attractive yields and stable fundamentals, while trimming financial bonds in developed markets such as Japan and Australia to take profits. They also reduced their positions in Hong Kong real estate names following the disappointment from the Politburo's meeting. They remain comfortable with the portfolio's current credit quality which is primarily in investment-grade bonds. Amid persistent rate volatility, they prefer to stay nimble in duration positioning. The overall portfolio duration was maintained at 1.8 years.

Looking ahead, the potential changes in areas such as tariffs during Trump's second term may be an overarching theme for Asia. The region is likely to experience varying degrees of impact, but issuers with stronger domestic focus and robust growth, such as India, Australia, and Japan, are expected to remain resilient. Amid persistent rate volatility, the Fund Manager prefers to keep duration neutral while staying nimble. Positively, Asia credit benefits from a shorter duration profile relative to most regions, providing resilience against rate fluctuations especially considering unpredictable Trump policies and resultant reflation concerns. Overall, they anchor their portfolios with compelling high-quality carry, while seeking interesting idiosyncratic stories within high yield. They favor segments such as Australia and Japan Financials within investment-grade bonds and India Renewables and Macau Gaming within high-yield bonds.

(from Schroder Asian Asset Income Fund Monthly Fund Update - December 2024)

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