COCOLIFE

December 2025

PESO EQUITY FUND

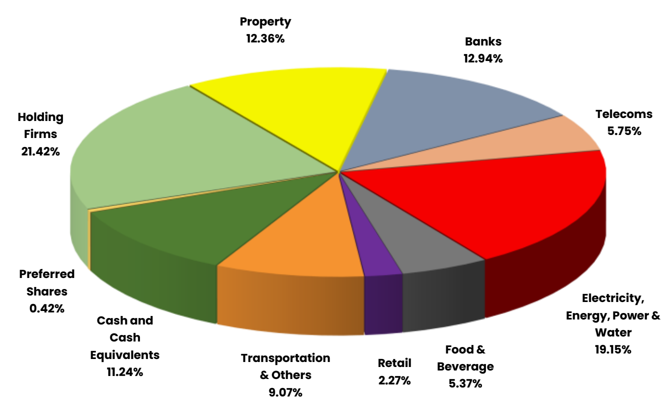
INVESTMENT OBJECTIVE

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 29, 2025	**1.5207**
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	6.76%
SM Investments Corporation	HOLDING FIRM	6.41%
Maynilad Water Services Inc.	ELECTRICITY, ENERGY, POWER, WATER	5.30%
Ayala Corporation	HOLDING FIRM	5.15%
International Container Terminal Services, Inc.	TRANSPORTATION	5.07%
Bank of the Philippine Islands	BANK	4.39%
BDO Unibank Inc.	BANK	3.74%
Ayala Land	PROPERTY	3.57%
GT Capital	HOLDING FIRM	3.56%
ACEN Corporation	ELECTRICITY, ENERGY, POWER, WATER	3.37%

HISTORICAL PERFORMANCE

December 29, 2025

NAVPU	Year-to-date Return
1.5207	-2.97%

	Annual Return	Cumulative Return
One-year	-2.97%	-2.97%
Three-year	-1.94%	-5.70%
Five-year	-2.19%	-10.46%

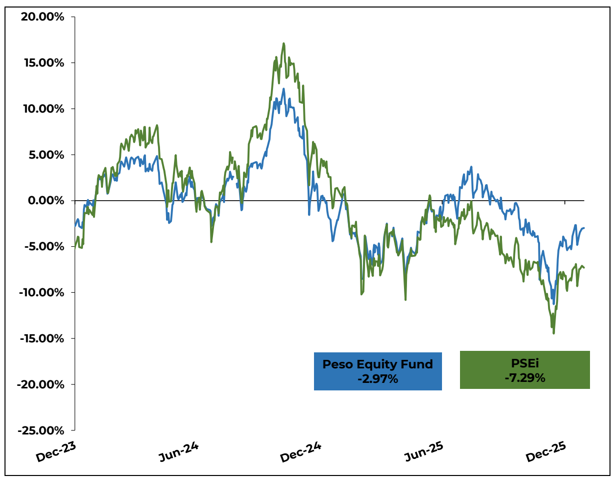
MARKET RECAP AND OUTLOOK

The Philippine Stock Exchange Index (PSEi) ended the final trading day of the year at 6,052.92 points, marking a marginal monthly increase of 0.51% and a full-year loss of approximately 7.29%. While the market saw some recovery from its three-year lows hit earlier in November, trading in December was characterized by thin volumes and a "holiday mode" sentiment. Despite a late-month rally driven by bargain hunters seeking value in oversold blue-chip stocks, selling pressure in the final sessions dragged the benchmark back down, sealing its fifth consecutive year of annual declines.

Several domestic factors heavily influenced this performance, most notably a mix of monetary easing and lingering governance concerns. The Bangko Sentral ng Pilipinas (BSP) provided a much-needed boost by cutting its policy rate to 4.50% during its December 11 meeting, following a trend of easing inflation, which settled at 1.8% for the month. However, this optimism was largely tempered by a massive corruption scandal involving infrastructure funds that broke earlier in the quarter, severely denting foreign investor confidence and leading to sustained net foreign selling. Furthermore, a soft third-quarter GDP print of 4.4% and the impact of successive typhoons in late 2025 left investors cautious about the pace of the country's economic recovery heading into the new year.

On the global and external front, the PSEi tracked movements in U.S. markets, which were navigating their own interest rate path. The U.S. Federal Reserve's decision to lower rates further in December provided some global tailwinds, but the Philippine peso remained under pressure, hovering near the P58.79 to P59.00 range against the U.S. dollar. Global geopolitical tensions and uncertainties surrounding U.S. trade policies also contributed to a "risk-off" environment, prompting many foreign funds to pull capital from emerging markets like the Philippines. While the local manufacturing sector showed signs of stabilization, with a PMI rebound to 50.2 in December, the combination of currency volatility and external macro pressures kept the index from staging a more robust year-end rally.

Looking ahead to January 2026, the index may trade higher within the 6,100 to 6,500 range, supported by the seasonal "January effect," where equities often benefit from renewed fund inflows and portfolio rebalancing at the start of the year. Historically, the local market sees improved liquidity during the first quarter as institutional investors redeploy capital. This seasonal boost, coupled with attractive valuations after last year's decline, may provide near-term upside, although developments related to domestic political noise are likely to dictate market momentum. Nevertheless. analysts are still banking on a continued dovish outlook from the central bank, as inflation remained at ease, posting a 1.8% rate in December, which brought the full-year 2025 figure to 1.7%. However, cautious optimism for the local economy may turn investors more prudent, as the Development Budget Coordination Committee (DBCC) reduced the 2026 growth target to 5.0%–6.0% from the previous 6.0%–7.0%.



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