COCOLIFE

January 2026

PESO EQUITY FUND

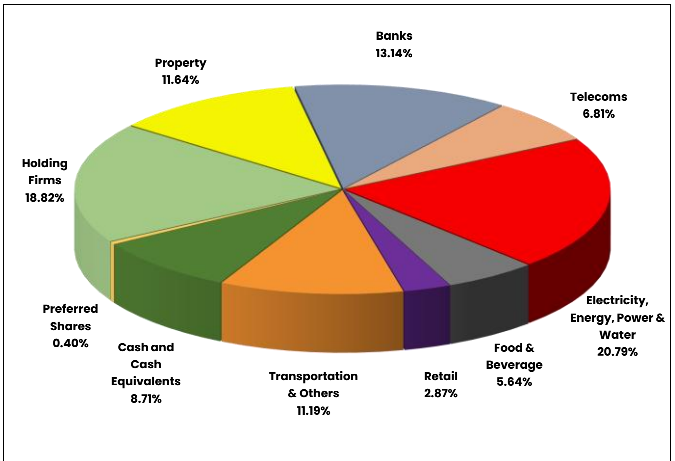
INVESTMENT OBJECTIVE

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 January 30, 2026	**1.5738**
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 Investment Corporation	HOLDING FIRM	6.29%
SM Prime Holdings, Inc.	PROPERTY	6.61%
International Container Terminal Services, Inc.	TRANSPORTATION	5.36%
Maynilad Water Services Inc.	ELECTRICITY, ENERGY, POWER, WATER	2.96%
Bank of the Philippine Islands	BANK	5.92%
BDO Unibank Inc.	BANK	4.60%
ACEN Corporation	ELECTRICITY, ENERGY, POWER, WATER	4.13%
Manila Electric Company	ELECTRICITY, ENERGY, POWER, WATER	3.31%
JG Summit	HOLDING FIRM	2.26%
Metropolitan Bank & Trust Company	BANK	3.63%

HISTORICAL PERFORMANCE

January 30, 2026

NAVPU	Year-to-date Return
1.5738	3.49%

	Annual Return	Cumulative Return
One-year	9.79%	9.79%
Three-year	-1.65%	-4.87%
Five-year	-0.68%	-3.37%

MARKET RECAP AND OUTLOOK

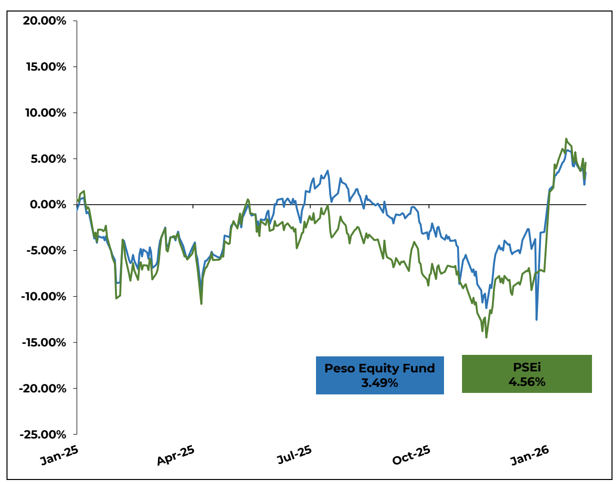
The Philippine Stock Exchange Index (PSEi) started the year on a positive note, ending January at 6,328.97 points, up 4.56% from end-2025 levels. This strong start was in line with the typical "January effect," when the market often rises due to investor optimism and expectations for the year ahead. In January, the index experienced a volatile yet resilient month. It kicked off the year by surpassing the 6,100-mark early in the month, driven by positive sentiment surrounding improved factory activity and tame December inflation (1.8%). However, the market faced significant downward pressure mid-month, with the benchmark oscillating between the 6,200 and 6,300 levels as it contended with a record-low peso and disappointing macroeconomic data releases.

Local performance was heavily weighed down by the "dismal" Q4 2025 GDP report, which showed growth slowing to just 3%, missing market expectations of 3.8%. This slowdown was attributed to the lingering effects of a massive infrastructure corruption scandal that stalled public spending, as well as a series of destructive typhoons that hampered agricultural and industrial output in late 2025. Domestically, political noise—specifically impeachment complaints against top executive officials—served as a further distraction for investors, raising concerns about the government's ability to implement necessary fiscal and economic reforms.

On the international front, the PSEi was buffeted by geopolitical tensions in the Middle East, particularly involving Iran and Israel, which sparked a flight to safety and pushed fuel prices higher. The strength of the US dollar also played a critical role; as the greenback surged, the Philippine peso hit a record low of ₱59.44 per US dollar in mid-January, stoking fears of imported inflation and prompting foreign investors to remain cautious. Toward the end of the month, however, a slight softening of the dollar and hopes for a US Federal Reserve pause on rate hikes provided some relief, allowing for a modest rebound driven by bargain hunting.

Sectoral performance was mixed. Financials and Services generally outperformed as investors bet on the Bangko Sentral ng Pilipinas (BSP) potentially cutting interest rates to stimulate the sluggish economy. In contrast, the Mining and Oil sector experienced sharp volatility, plunging over 13% in certain sessions due to fluctuating global commodity prices and localized sentiment shifts. Real Estate and Consumer Staples also struggled, as the weak peso and high fuel costs dampened outlooks for household spending and property development.

Looking ahead to February 2026, prospects for the PSEi remain cautiously optimistic but tethered to macroeconomic recovery, with the index likely to hover within the 6,100–6,400 range. Market participants are laser-focused on the BSP's February policy meeting, where a rate cut is widely anticipated to counteract slow GDP growth. If the government can demonstrate a "catch-up" in infrastructure spending and inflation remains within the 2.0% to 4.0% target range, the index could test the 6,400 to 6,500 resistance levels. However, the market is likely to remain sensitive to any further escalations in global oil prices or local political developments that could disrupt the fragile recovery.



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