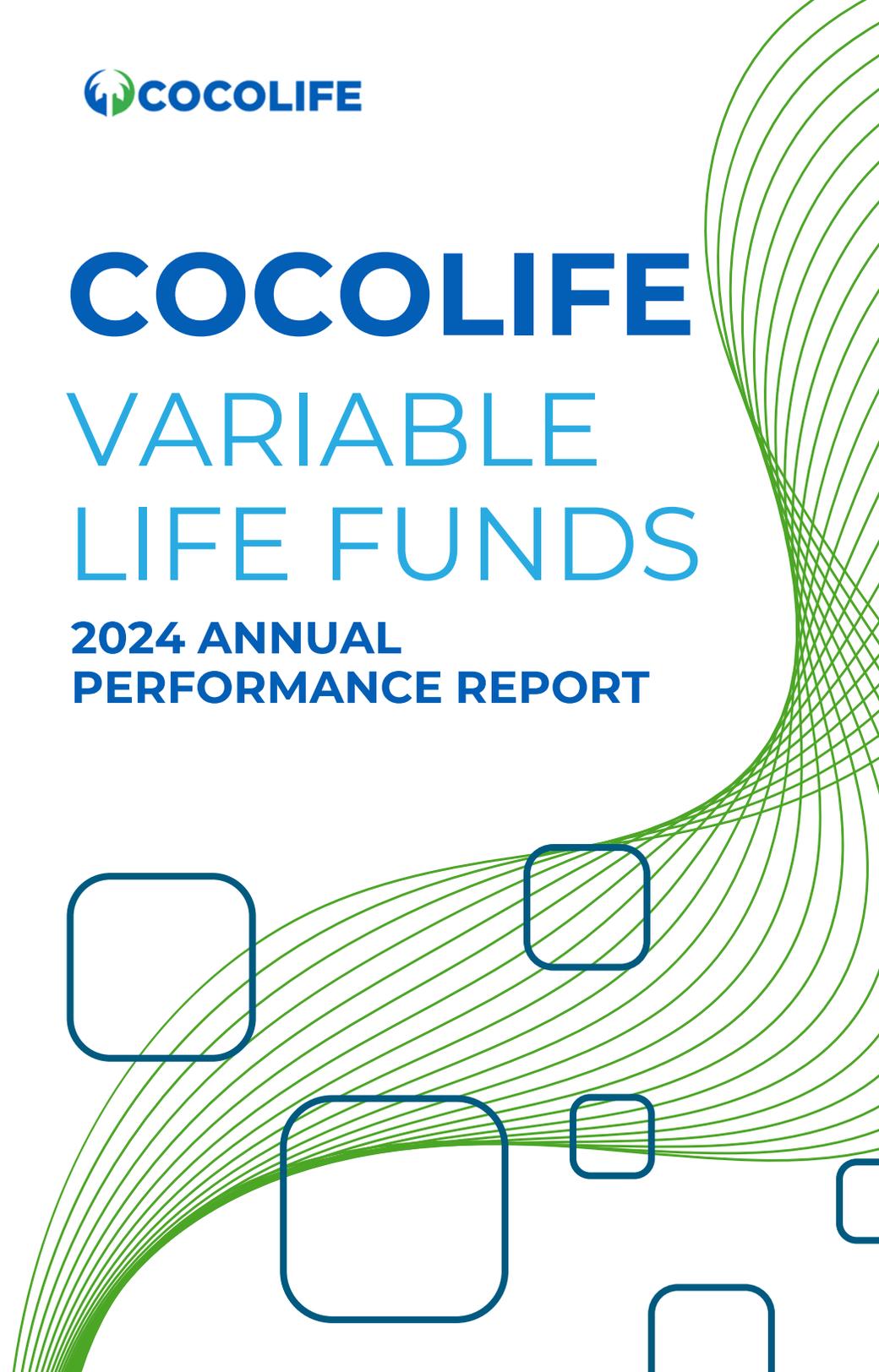




COCOLIFE

VARIABLE LIFE FUNDS

**2024 ANNUAL
PERFORMANCE REPORT**



MARKET REVIEW AND OUTLOOK

PESO EQUITY MARKET

2024 RECAP

An examination of the Philippine Stock Exchange Index (PSEi) in 2024 reveals a year characterized by pronounced volatility and uncertainty. The index underwent multiple fluctuations throughout the year, reflecting a complex interplay of positive and negative forces that shaped overall market sentiment.

Despite these headwinds, the PSEi closed the year at 6,528.79, posting a modest gain of 1.22% from its 2023 year-end level of 6,450.00. This performance is particularly noteworthy, as it marks the first year-on-year positive return since the onset of the COVID-19 pandemic in 2020, signaling a gradual recovery in investor confidence.

Throughout the year, the index's uneven trajectory was driven by a combination of domestic resilience and external pressures. On the domestic front, the Philippine economy demonstrated steady momentum, supported by favorable macroeconomic fundamentals, including stable GDP growth and manageable inflation. In addition, the accommodative monetary stance of the Bangko Sentral ng Pilipinas (BSP) helped sustain liquidity conditions and provide support to financial markets, reinforcing investor optimism.

Nevertheless, optimism remained tempered by persistent downside risks. External developments continued to weigh on market performance, fostering caution among investors. Ongoing geopolitical tensions across various regions heightened global risk aversion, while uncertainty surrounding the U.S. Federal Reserve's interest rate policy further contributed to market volatility, particularly with regard to potential shifts in global capital flows.

A notable political development that unsettled markets was the return of Donald Trump as the 47th President of the United States. His administration's protectionist stance and trade policy orientation raised concerns about possible disruptions to international trade and global economic growth. These uncertainties reverberated across emerging markets, including the Philippines, influencing investor sentiment even prior to his formal assumption of office.

2025 OUTLOOK

For the Philippine equities market, we outlined three valuation scenarios for the year based on earnings projections, market sentiment, and macroeconomic conditions. Under the Base Case Scenario, the PSEi target was set at 7,484, implying a return of 14.6% with a price-to-earnings (P/E) ratio of 11.5x. This scenario assumed a steady economic recovery, stable inflation, modest earnings growth, and gradual interest rate normalization, reflecting a balanced environment of cautious optimism. The Bull Case Scenario projected a PSEi target of 8,148, corresponding to an implied return of 24.8% and a P/E ratio of 12.5x. This outlook was anchored on stronger-than-expected earnings growth, improved investor sentiment, a sustained decline in inflation, and more aggressive monetary easing both locally and globally, with risk appetite returning more decisively to support higher market valuations. Conversely, the Bear Case Scenario set the PSEi target at 6,900, implying a return of 5.4% and a P/E ratio of 10.7x. This scenario assumed heightened global and domestic headwinds, including renewed geopolitical tensions, weaker-than-expected corporate earnings, persistent inflationary pressures, or policy uncertainties, all of which could weigh on investor confidence and market multiples.

PESO BOND MARKET

2024 RECAP

Macroeconomic conditions were a critical force behind the shifts in the fixed income market in 2024, setting the tone for investor behavior, monetary policy direction, and yield movements. At the center of these developments was inflation—a key variable that significantly influenced sentiment and pricing in the bond market.

In 2024, the Philippines' average inflation rate declined to 3.2%, a significant drop from the 6.0% average recorded in 2023. This marked a notable turning point, as it was the first time since 2021 that inflation returned to within the Bangko Sentral ng Pilipinas' (BSP) official target range of 2% to 4%.

The favorable moderation in inflation during 2024 gave the Bangko Sentral ng Pilipinas (BSP) the room it needed to pivot toward a more accommodative monetary stance after more than a year of tight monetary conditions. In response, the BSP implemented a series of three rate cuts of 25 basis points each, amounting to a total reduction of 75 basis points over the course of the year. This brought the key policy rate down to 5.75% by year-end, from 6.50% at the start of 2024.

2025 Outlook

The Bangko Sentral ng Pilipinas (BSP) is expected to maintain a gradual and cautious approach to monetary policy easing throughout 2025. Following a series of rate cuts that lowered the key policy rate to 5.50%, the central bank appears poised to continue reducing rates in measured increments, likely in 25-basis-point steps, provided inflation remains within or close to the target range of 2% to 4%. Overall, market consensus anticipates one to two additional rate cuts by the end of 2025, potentially bringing the key policy rate down to the 5.00% to 5.25% range.

DOLLAR BOND MARKET

2024 RECAP

The global economy remains clouded by a confluence of risks, including interest rate uncertainty, renewed geopolitical tensions, and fragile growth trajectories across key regions. First, uncertainty surrounding U.S. trade policy has intensified. The potential re-election of former President Donald Trump has reignited concerns over protectionist measures and tariff increases. During his previous term, such policies disrupted global trade, pushed up commodity prices, and weighed on consumer spending—posing a significant downside risk to global economic growth. Second, economic stagnation persists in major economies. Both the European Union and the United States continue to face subdued activity, with recession risks gaining traction. Third, geopolitical tensions in the Middle East remain elevated. These tensions threaten oil price stability, increase the risk of inflationary shocks, and disrupt key global supply chains.

Despite these challenges, there are also encouraging developments on the horizon.

Monetary policy is showing signs of stabilization. Both the Bangko Sentral ng Pilipinas and the U.S. Federal Reserve have adopted a more measured approach to rate adjustments. According to the Federal Reserve's latest "dot plot," interest rates are expected to remain between 4.25% and 4.50%, with just two additional rate cuts projected in 2025. Global inflation is easing, with price pressures moderating across many regions. This trend lays the groundwork for a potential recovery in consumer spending and broader economic activity.

2025 OUTLOOK

The U.S. Federal Reserve has maintained its benchmark interest rate within the 4.25% to 4.50% range, signaling a continued cautious stance. Although inflation has eased, the Fed remains vigilant about declaring victory prematurely.

According to the latest "dot plot," a chart reflecting individual members' expectations, the Fed projects only two additional rate cuts in 2025. This restrained approach underscores ongoing concerns about persistent inflationary pressures and broader economic stability.

Markets are closely monitoring this trajectory, as it will significantly influence global capital flows, borrowing costs, and overall investor sentiment.

GLOBAL EQUITY MARKET

2024 RECAP

In 2024, global equities delivered exceptionally strong performance, with the MSCI World Index rising approximately 18.7% and the S&P 500 surging about 25%—marking its second consecutive year of gains exceeding 20%. This robust growth pushed many indices to multiple record highs, reflecting a "Goldilocks" environment in which the global economy avoided a widely anticipated recession while corporate earnings remained surprisingly resilient. While the United States led developed markets, the rally broadened in the second half of the year, enabling international markets such as Japan and emerging economies including India and Taiwan to post significant double-digit returns.

The primary driver of this performance was persistent "AI exuberance," as massive capital investment in generative artificial intelligence fueled a historic rally in mega-cap technology stocks, often referred to as the "Magnificent Seven." Beyond the technology sector, markets were further supported by cooling global inflation and a pivotal shift in monetary policy, as major central banks—including the Federal Reserve and the European Central Bank—began cutting interest rates to sustain economic growth. Geopolitical developments, most notably the U.S. presidential election, also played a significant role. The resolution of election-related uncertainty in November sparked a year-end rally, as investors anticipated a more pro-business environment characterized by tax cuts and deregulation.

2025 Outlook

The 2025 outlook for global equities is shaped by a tug-of-war between inflationary pressures from new U.S. trade policies and productivity-driven tailwinds from the AI boom. While sweeping global tariffs and steep levies on China may introduce volatility, markets could find support as investors focus on robust corporate earnings and the monetization of AI technologies. Although these tariffs could push U.S. inflation toward 3.5%, a broader global slowdown in consumer prices, coupled with the Federal Reserve's anticipated late-year rate cuts, helps stabilize sentiment and supports major indices reaching new highs. As a result, many strategists recommend diversification, emphasizing international markets such as Europe and Japan, along with "quality" cyclical sectors poised to benefit from a broader economic reacceleration.

ASIAN MULTI ASSET MARKET

2024 RECAP

In 2024, Asian financial markets demonstrated notable resilience and divergence across equities and bonds. Regional equities, as measured by the MSCI AC Asia Pacific ex-Japan Index, delivered a total return of roughly 11.4%, though performance varied widely. Japan's Nikkei 225 was a global standout, surpassing 40,000 for the first time, while Taiwan and India posted strong double-digit gains, fueled by the AI boom and robust domestic manufacturing. In contrast, Chinese equities faced challenges from a prolonged property crisis and deflationary pressures, only rebounding late in the year following a substantial government stimulus in September.

Asian bonds also staged a strong recovery, with the JPMorgan Asia Credit Index returning 6.3% and Asian high-yield bonds achieving 15%. Gains were driven by tightening credit spreads and a "soft landing" global outlook, encouraging investors to pursue higher yields. Support came from the U.S. Federal Reserve's interest rate cuts in September, easing pressure on Asian currencies and allowing regional central banks, such as those in South Korea and Indonesia, to lower rates. The inclusion of Indian government bonds in major global indices further attracted structural capital inflows, bolstering regional debt markets.

2025 OUTLOOK

The 2025 outlook for Asian financial markets is characterized by "resilient divergence," where strong structural tailwinds in technology and domestic consumption are balanced against the friction of shifting global trade policies. Equity markets are expected to remain attractive, particularly in high-income tech hubs like Taiwan and South Korea, benefiting from the global AI semiconductor cycle, and in India, where robust domestic demand is projected to sustain double-digit earnings growth. Conversely, Chinese equities face a more complex recovery, depending heavily on the effectiveness of government stimulus to counter a persistent property downturn and renewed U.S. trade tensions. In bond markets, Asian fixed income remains a strong global diversifier, with returns likely driven by carry as regional central banks lean toward monetary easing, supported by stable local inflation and a weakening U.S. dollar.

Key tailwinds include the continued expansion of the AI ecosystem, which supports earnings in semiconductor and hardware supply chains, and lower interest rates, which enhance liquidity across Emerging Asia. Additionally, "China Plus One" supply chain diversification benefits Southeast Asian economies such as Vietnam and Indonesia through increased foreign direct investment. Significant headwinds persist, including trade policy uncertainty—particularly the risk of escalated U.S. tariffs—which could disrupt export-dependent growth and trigger currency volatility. Geopolitical tensions and the structural slowdown in the Chinese economy remain critical downside risks that could dampen regional investor sentiment and lead to periodic market drawdowns throughout the year.

FUND PERFORMANCE

Peso Equity Fund

Fund Description

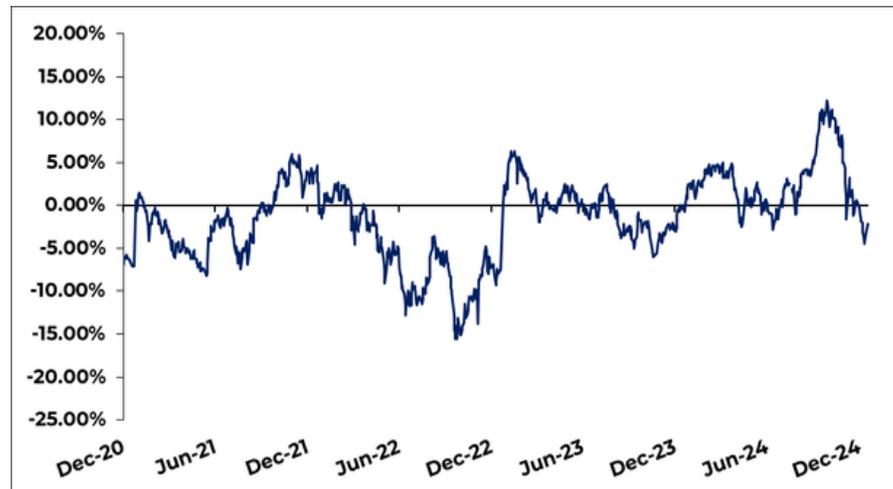
The Peso Equity Fund seeks to maximize income consistent with its policy to preserve capital and to maintain liquidity of investments through a diversified portfolio of high-quality listed equity issues – blue chips and growth stocks listed in the Philippines Stock Exchange.

Historical Returns

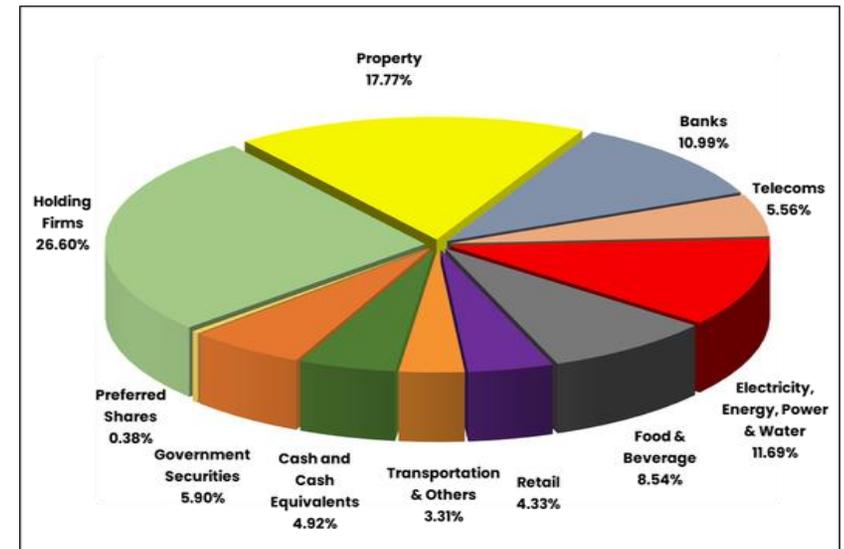
Net Asset Value per Unit (NAVPU)	1.5673
---	---------------

	Annual Return	Cumulative Return
One-year	-2.12%	-2.12%
Two-year	-1.41%	-2.81%
Three-year	-3.49%	-10.12%
Four-year	-1.98%	-7.70%
Five-year	-3.03%	-14.25%

Historical Performance



Portfolio Mix



Top Holdings

SM Investments Corporation
SM Prime Holdings, Inc.
Ayala Corporation
BDO Unibank Inc.
GT Capital Holdings, Inc.

Peso Bond Fund

Fund Description

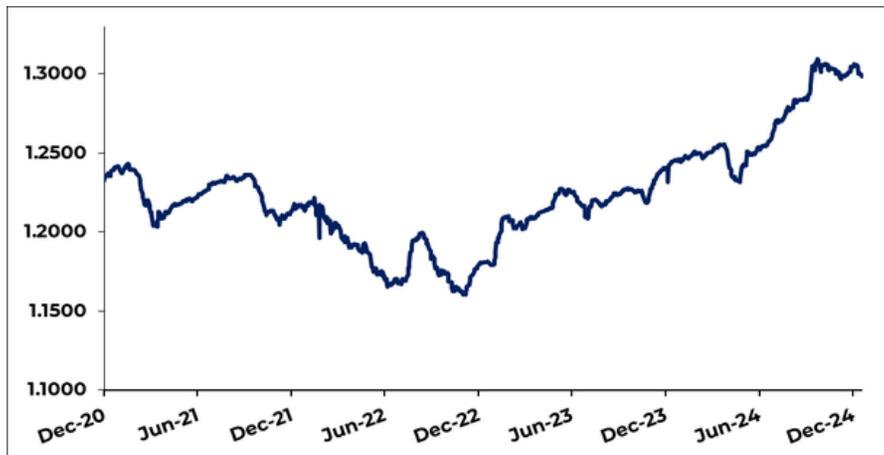
The Peso Bond Fund seeks to generate regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments, through a diversified portfolio of high-grade bonds and evidences of debts of solvent corporations and institutions.

Historical Returns

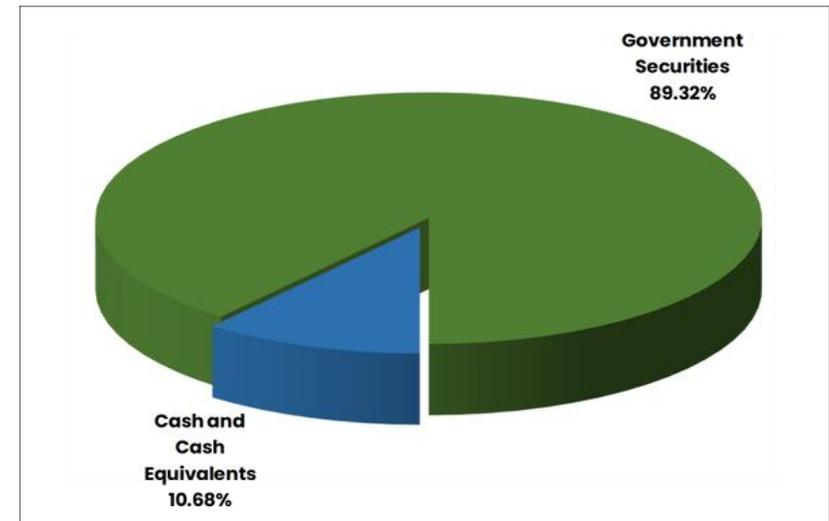
Net Asset Value per Unit (NAVPU)	1.2994
---	---------------

	Annual Return	Cumulative Return
One-year	4.34%	4.34%
Two-year	4.90%	10.03%
Three-year	2.23%	6.83%
Four-year	1.16%	4.71%
Five-year	2.58%	13.57%

Historical Performance



Portfolio Mix



Top Holdings

RTB 5-18
FXTN 10-64
FXTN 10-67
FXTN 7-70
FXTN 5-17

Peso Fixed Income Fund

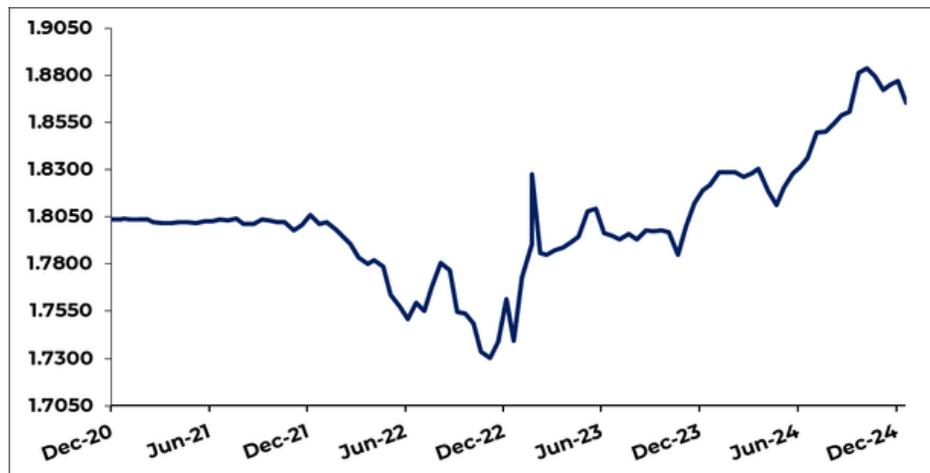
Fund Description

The Peso Fixed Income Fund seeks to generate regular interest income, consistent with its policy to preserve capital and maintain liquidity of investment through a diversified portfolio of high-grade bonds and evidence of debt of solvent corporations and institutions.

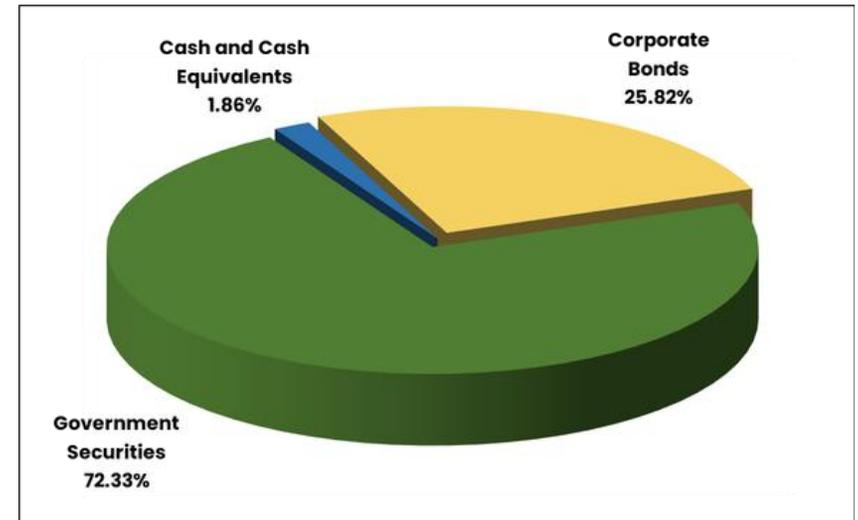
Historical Returns

Net Asset Value per Unit (NAVPU)		1.8672
	Annual Return	Cumulative Return
One-year	2.48%	2.48%
Two-year	3.60%	7.34%
Three-year	1.20%	3.66%
Four-year	0.86%	3.50%
Five-year	1.12%	5.72%

Historical Performance



Portfolio Mix



Top Holdings

RTB 5-16
FXTN 10-67
FXTN 20-26
FXTN 7-70
FXTN 10-72

Dollar Bond Fund

Fund Description

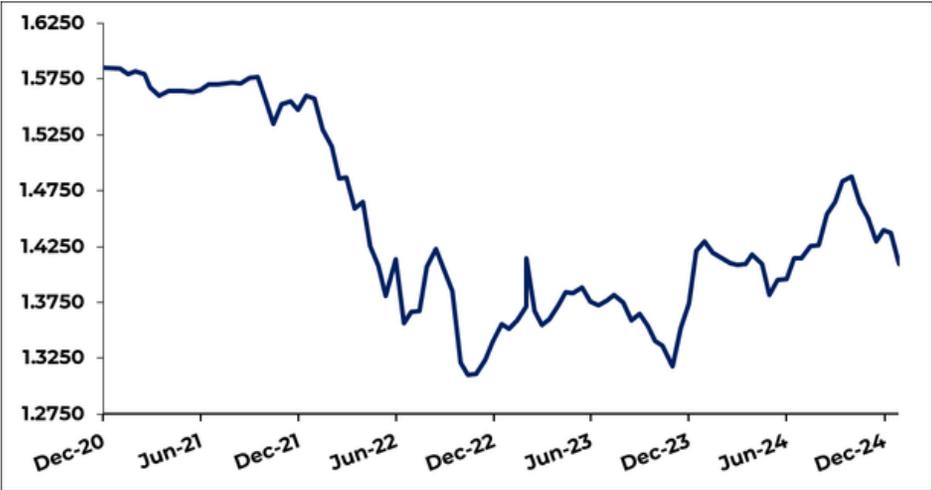
The Dollar Bond Fund seeks to generate regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments. The fund shall be invested primarily in dollar denominated fixed-income instruments ranging from debentures, money market instruments and government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

Historical Returns

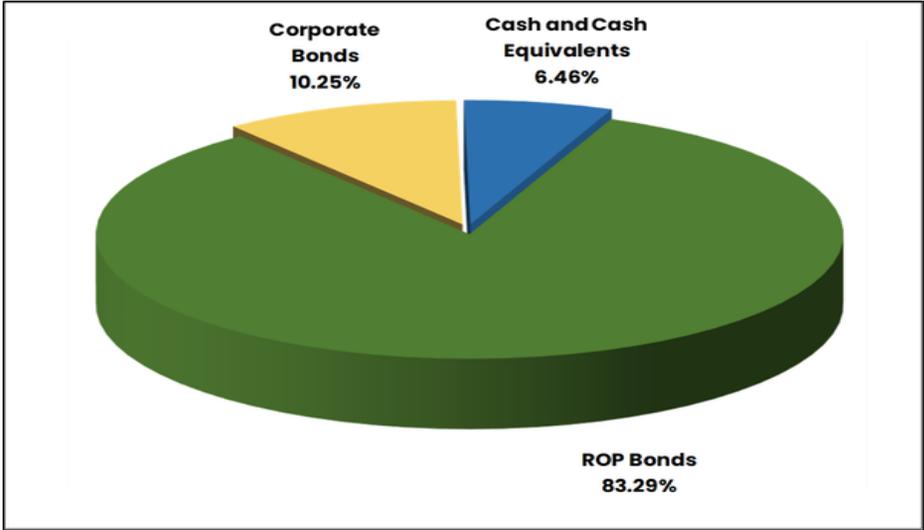
Net Asset Value per Unit (NAVPU)	1.4114
---	---------------

	Annual Return	Cumulative Return
One-year	-1.29%	-1.29%
Two-year	2.18%	4.42%
Three-year	-3.22%	-9.36%
Four-year	-2.85%	-10.92%
Five-year	-1.96%	-9.42%

Historical Performance



Portfolio Mix



Top Holdings

- ROP 29
- ROP 37
- ROP 42
- ROP 42
- ROP 49

Peso Guaranteed Fund

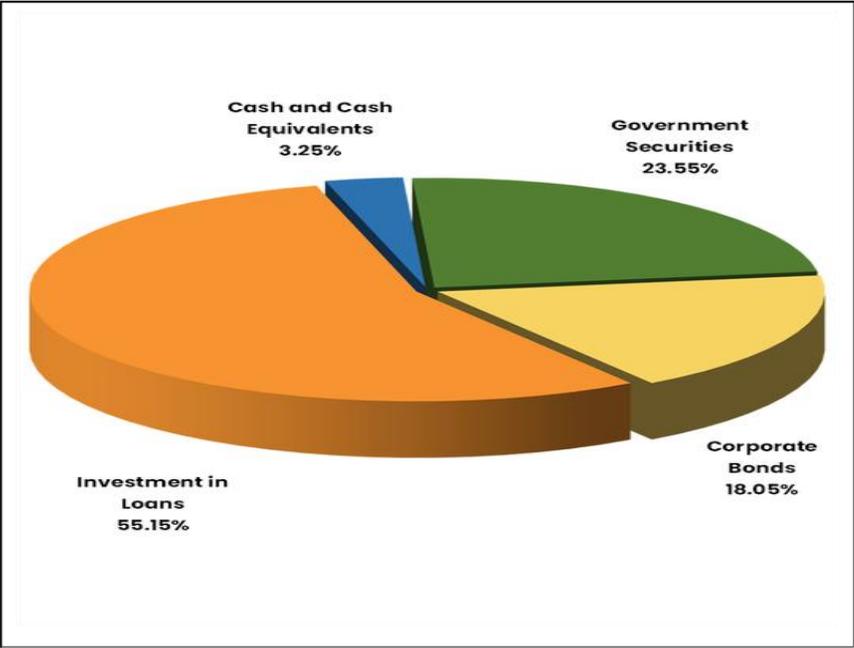
Fund Description

'The Peso Guaranteed Fund is a separate fund with the objective of having an optimum balance of return and risk through investment in fixed income instruments.

Interest Rates Declared

	2020	2021	2022	2023	2024
January	4.00%	2.00%	0.50%	0.50%	0.50%
February	4.00%	2.00%	0.50%	0.50%	0.50%
March	4.00%	2.00%	0.50%	0.50%	0.50%
April	2.00%	2.00%	0.50%	0.50%	0.50%
May	2.00%	2.00%	0.50%	0.50%	0.50%
June	2.00%	0.50%	0.50%	0.50%	0.50%
July	2.00%	0.50%	0.50%	0.50%	0.50%
August	2.00%	0.50%	0.50%	0.50%	0.50%
September	2.00%	0.50%	0.50%	0.50%	0.50%
October	2.00%	0.50%	0.50%	0.50%	0.50%
November	2.00%	0.50%	0.50%	0.50%	0.50%
December	2.00%	0.50%	0.50%	0.50%	0.50%

Portfolio Mix



*For the avoidance of doubt, the declared interest rate represents the net investment return of the Peso Guaranteed Fund.

Cocolife Global Consumer Trends Investment Fund

Fund Description

COCOLIFE Global Consumer Trends Investment Fund is a variable life insurance investment fund based on ATRAM Global Consumer Trends Feeder Fund. This fund seeks to achieve long-term capital growth by investing all or substantially all of its assets in a collective investment scheme that invests globally in equities of companies that are predominantly engaged in the design, production or distribution of products and services related to the discretionary consumer needs of individuals.

Historical Returns

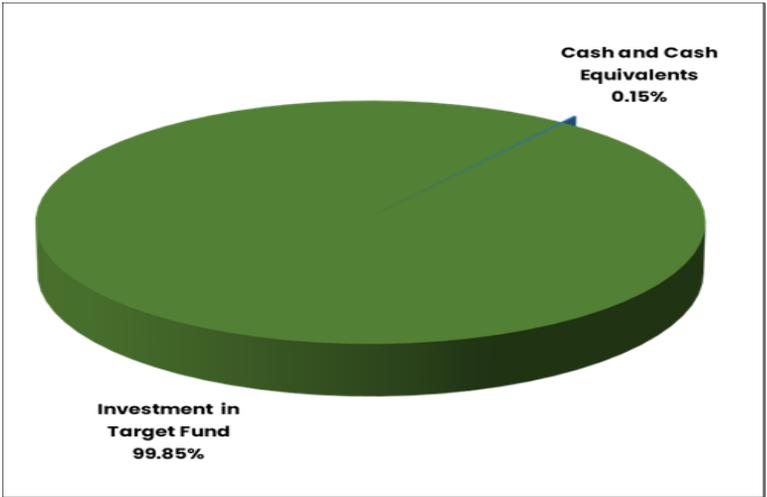
Net Asset Value per Unit (NAVPU)	1.3484
----------------------------------	--------

	Cumulative Return
3-month	14.05%
6-month	16.36%
1-year	28.44%

Historical Performance



Portfolio Mix



Top Holdings

- Amazon
- Tesla
- Meta Platforms 'A'
- Nvidia
- Netflix

Cocolife Asian Multi-Asset Income Investment Fund

Fund Description

COCOLIFE Asian Multi-Asset Income Investment Fund is a variable life insurance investment fund based on ATRAM Asian Multi-Asset Income Feeder Fund. This fund 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).

Historical Returns

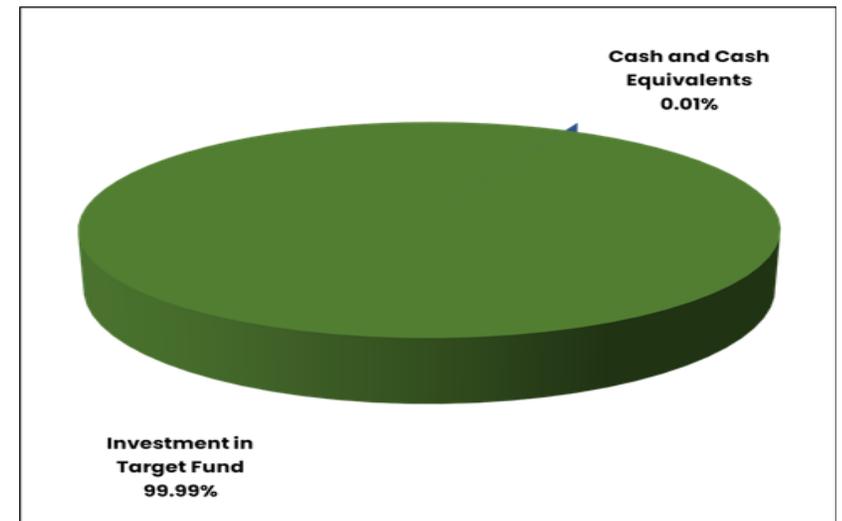
Net Asset Value per Unit (NAVPU)	1.0883
---	---------------

	Cumulative Return
3-month	.01%
6-month	-1.19%
1-year	11.02%

Historical Performance



Portfolio Mix



Top Holdings

Taiwan Semiconductor Manufacturing
Mediatek Inc.
Tencent Holdings Ltd.
Hon Hai Precision Industry Ltd.
China Construction Bank Corp

Statement of any change since the last report:

We confirm that there were no changes in 2024 to the Fund's investment objectives, strategies, asset allocation guidelines, risk parameters, or management arrangements.

2024 FINANCIAL STATEMENT

	Asian Multi-Asset Income Investment Fund	Global Consumer Trends Investment Fund	Peso Fixed Income Fund	Peso Bond Fund	Peso Equity Fund	Peso Guaranteed Fund	Dollar Bond Fund	Dollar Guaranteed Fund
STATEMENT OF ASSETS AND LIABILITIES								
Assets								
Cash and cash equivalents	47,898	61,478	32,286,869	12,259,823	23,385,370	61,061,184	\$ 176,759	\$ 858,766
Financial Assets at Fair Value Through Profit or Loss								
Debt Securities			1,704,840,836	102,570,854	28,031,027	181,737,543	\$ 2,559,231	\$ 1,740,772
Equity Securities					423,498,145			
Unit Investment Trust Funds	334,349,589	49,748,646						
Available-for-Sale (AFS) Financial Assets								
Debt Securities						599,702,452		\$ 1,027,000
Loans and receivables			-			1,035,872,640		
Accrued Income			23,102,162	1,793,116	898,314	9,383,723	\$ 44,078	\$ 51,931
Other Assets	5,451,733	203,522	2,692,097	110,778	1,647,312	39,393		
	<u>339,849,220</u>	<u>50,013,646</u>	<u>1,762,921,964</u>	<u>116,734,571</u>	<u>477,460,168</u>	<u>1,887,796,936</u>	<u>\$ 2,780,068</u>	<u>\$ 3,678,468</u>
Liabilities								
Accounts payable and accrued expenses	519,973	56,648	2,487,174	10,376	832,639	-	\$ 20,632	\$ 35
Net Assets	<u>339,329,247</u>	<u>49,956,997</u>	<u>1,760,434,790</u>	<u>116,724,195</u>	<u>476,627,530</u>	<u>1,887,796,936</u>	<u>\$ 2,759,436</u>	<u>\$ 3,678,433</u>
Net Asset Value Per Unit	1.0883	1.3484	1.8672	1.2994	1.5673		1.4114	
STATEMENT OF INVESTMENT INCOME AND EXPENSES								
Gross Investment Income	20,444,307	8,369,010	93,934,758	6,090,710	6,100,023	119,983,274	\$ 36,626	\$ 108,294
Expenses								
Investment expenses	58,775	38,067	290,419	13,050	3,076,567	5,350	\$ 19,866	\$ 127
Final taxes	82	16	17,631,792	1,261,039	943,596	13,149,965	\$ 939	\$ 5,550
Management Fee	4,638,266	554,125	34,070,080	539,334	12,472,507		\$ 53,088	
	4,697,123	592,208	51,992,291	1,813,423	16,492,669	13,155,315	\$ 73,893	\$ 5,677
Net Investment Income or Loss	<u>15,747,185</u>	<u>7,776,802</u>	<u>41,942,468</u>	<u>4,277,287</u>	<u>(10,392,646)</u>	<u>106,827,959</u>	<u>\$ (37,267)</u>	<u>\$ 102,617</u>
STATEMENT OF CHANGES IN THE FUND								
Net Assets, Beginning of the Year	127,290,210	14,520,551	2,139,453,351	203,176,726	492,419,982	2,157,247,686	\$ 2,964,750	\$ 3,946,583
Add:								
Valuation Reserve						301,520		\$ (54,200)
Net investment income (loss)	15,747,185	7,776,802	41,942,468	4,277,287	(10,392,646)	106,827,959	\$ (37,267)	\$ 102,617
Net contributions (redemptions)	196,291,853	27,659,644	(420,961,029)	(90,729,818)	(5,399,805)	(376,580,230)	\$ (168,047)	\$ (316,567)
Net Assets, End of Period	<u>339,329,247</u>	<u>49,956,997</u>	<u>1,760,434,790</u>	<u>116,724,195</u>	<u>476,627,530</u>	<u>1,887,796,936</u>	<u>\$ 2,759,436</u>	<u>\$ 3,678,433</u>