COCOLIFE DOLLAR FUND BUILDER, INC.

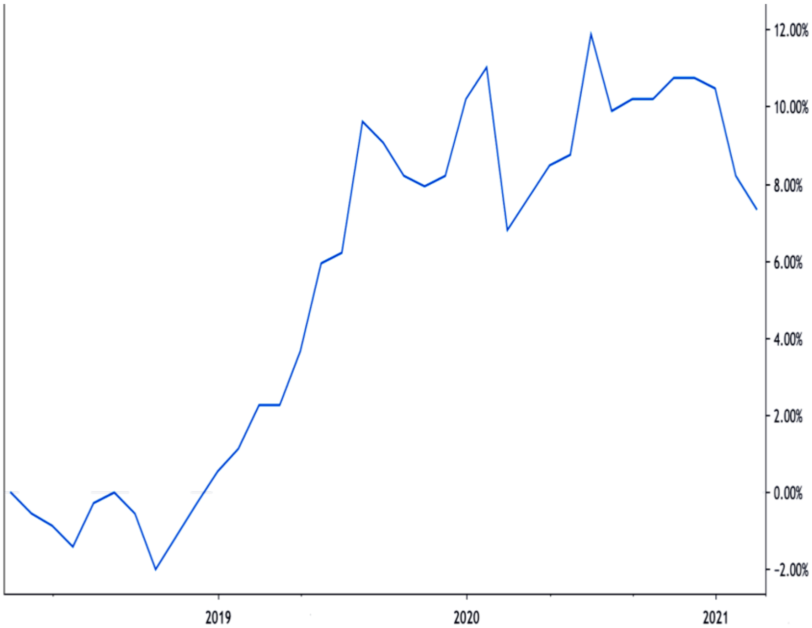
MARCH 2021

Cocolife Dollar Fund Builder, Inc. is a growth and income-oriented mutual fund, which aims to provide investors with long-term capital appreciation. The Fund seeks to generate long-term total returns from interest income and capital growth by investing in a diversified portfolio of US Dollar denominated fixed-income and equity investments.

FUND FACTS AND FIGURES

Launch Date	August 2010
Structure	Mutual Fund
Domicile	Republic of the Philippines
Currency	US Dollar
Minimum Initial Investment	US$ 1,000.00
Minimum Additional Investment	US$ 500.00
Sales Load	0.5% of the NAVPS
Redemption Fee	
< 1 yr from purchase date	1.5% of NAVPS
Fund Manager	Cocolife Asset Management Co., Inc.
Custodian Bank	Deutsche Bank AG Manila Branch
Transfer Agent	Deutsche Bank AG Manila Branch
External Auditor	Punongbayan & Araullo

FUND PERFORMANCE

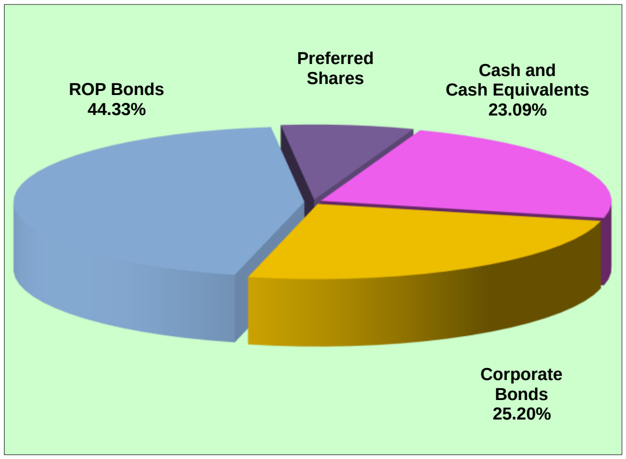


NAVPS 3/31/2021	Year-to-Date Return
0.03794	-2.97%

	Compounded Annual Return	Cumulative Return
One-year	0.72%	0.72%
Three-year	2.41%	7.42%
Five-year	1.30%	6.66%

Figures above were based on the fund's actual returns as of March 31, 2021. Note, however, that historical performance is not a guarantee of future results.

PORTFOLIO ALLOCATION



FUND MANAGER'S REPORT

For the month of March, prices of Philippine sovereign US-dollar denominated bond (ROP bond) fell by 1.83%, enduring its previous month's plunge although at a narrower pace, from end-February's closing levels. Appetite towards the foreign-back securities was still sluggish as investors shunned active play waiting for the resolve of the US Federal Reserve with their latest Federal Open Market Committee (FOMC) meeting last March 16-17. As expected, the US central bank has maintained interest rates to the current all-time-lows, or at near zero levels, as it anchored its stance on continuing to utilize all monetary tools in its arsenal to support the "still bouncing-back economy". In figures, the benchmark rates settled between 0.00-0.25%. Despite the latest and unbothered undertaking, US policymakers have struck a more hawkish tone in their monetary policy update, noting that they are prepared to "adjust the stance of monetary policy as appropriate if risks emerge". One of these risks could be a spike in inflation, which the Fed expects will move higher, albeit temporarily, in the coming months. Other risks could be public health, labor market and financial market conditions. According to the Fed's consensus forecast, known as dot-plot, the central bank does not expect any rate hikes in 2021, but four Fed officials project higher interest rates in 2022. As for the economic developments, the US economy has expanded in the fourth quarter with the revised 4.3% annual pace and notably, the data was better-than-expected alongside growth expectations in the coming year. The latest gross domestic product (GDP) outturn was raised from the previous and the first estimate of 4.1% attributed to higher business investment, revised government figures. Economic managers and even US President Joe Biden lauded such progress and acclaimed that the country appears to be speeding up and reeling towards rebound after slowing during the dreadful, pandemic year of 2020.

For the month of April, the greenback bond market may find solid ground and even spark up budding momentum as players adhere towards potential improvements in macro-data. With the amassed $1.9 trillion federal stimulus package for the economy, the growth trend is anticipated to improve further amidst the ongoing rollout of the vaccines and the reopening of more businesses. Traders will be mulling over fresh rhetorics from the US central bank after the hawkish tone of a possible nod towards adjusting policy rates moving forward in line with the inoculation program and fiscal stimulus layout. As for the oil market, the continuing rise in global prices could still be upheld as the Organization of Petroleum Exporting Countries carries on with their commitment to curb production in the meantime. Although, analysts are still projecting dents along the way as the oil cartel hinted to gradually loosen up its supply cutback protocol especially with some countries resume significant foot traffic and travel mobility.

RISK DISCLOSURE. *The value of investments in mutual funds is not guaranteed and will vary from day to day depending on the market value of the individual securities in its portfolio. Factors that can affect the value of these securities include economic conditions, interest rates, government regulations and taxations, and corporate performance.*

RISK MANAGEMENT. *Equity risk will be managed through prudent selection and avoidance of speculative and doubtful securities as well as portfolio diversification to reduce the impact of possible risks. The company shall manage interest rate risk by actively monitoring the prevailing interest rates. The fund maintains sufficient liquidity in the form of short term deposits which may be withdrawn anytime at minimal cost.*

Inflation eases to 4.5% in March. According to the Philippine Statistics Authority (PSA), the country's inflation rate settled at 4.5% in March, cooling from the 4.7% in February but quicker than the 2.5% a year ago. The latest data is within the 4.2% to 5.0% forecast range of the Bangko Sentral ng Pilipinas (BSP) for the month. BSP Governor Benjamin Diokno cited the downward adjustment in power rates, lower prices of key food items as primary sources of downward price pressures in March. However, the higher oil prices and a peso depreciation have "partly offset" these factors. On a year-to-date basis, the consumer price growth averaged 4.5%, surpassing the central bank's 2.0-4.0% target range for 2021.

BSP holds policy rate at record low. The Bangko Sentral ng Pilipinas (BSP) left its key interest rate unchanged at a record low last March 25, as it supports an economy whose recovery is at risk from a renewed surge in COVID-19 infections. The Monetary Board kept the overnight reverse repurchase rate at an all-time low of 2% for a third consecutive meeting. In figures, rates for the overnight lending and deposit facilities were also maintained at 2.5% and 1.5%, respectively. The central bank kept policy settings steady since its December meeting, but BSP Governor Benjamin Diokno hinted that they will respond accordingly when the need arises. Meanwhile, the central bank upwardly revised its inflation outlook to 4.2% this year, from the earlier forecast of 4% given in February. The average print for 2022 is seen at 2.8%, slightly higher than the previous projection of 2.7%.

PH unemployment rate hit 8.8% in February. According to the Philippine Statistics Authority's (PSA) February round of the Labor Force Survey (LFS), the country's unemployment rate was recorded at 8.8% in February, up from 8.7% in January. In figures, about 4.187 million unemployed Filipinos with recorded in February. This was more than the 3.953 million recorded in the January round. The February reading was the third-highest since the jobless rates recorded in April 2020 and July 2020 at 17.6% and 10%, respectively. The February survey round marked the first of the monthly surveys to be conducted by the PSA to closely monitor the current job situation in the country amid the pandemic. On the other hand, the country's employment rate stood at 91.2% in February, down from 91.3% in January. In absolute terms, however, the number of employed Filipinos increased to 43.153 million from 41.248 million in January.

Money supply hastens in February. Money supply (M3) rose by 9.4% year-on-year to P14 trillion, quicker than the revised 8.9% surge in January. Month-on-month and seasonally adjusted, M3 was up by 0.1%. The BSP noted that the acceleration of domestic liquidity was due mainly to the faster growth in net claims on the central government, even as bank lending to the private sector remained tepid.

January net exports shrink as recession bites. Exports shrank by 5.2% to $5.49 billion in January from 9.4% growth a year earlier. Meanwhile, imports also fell by 14.9% to $7.911 billion in January, worse than the declines of 8.2% and 2.8% in December and January 2020, respectively. Accordingly, the latest trade figures brought the trade balance to a $2.421-billion deficit in January, wider than the $2.149-billion gap in December, but narrower than the $3.504-billion shortfall in January last year.

Remittances slip as pandemic drags on. Remittances in January slipped by 1.7% to $2.603 billion from $2.648 billion a year ago, falling for a second straight month. Remittances also declined by a tenth or around 9.93% from $2.89 billion in December, when OFWs typically send more money. The central bank expects remittance inflows to grow by 4% this year, in hopes of economic recovery. The lower remittance inflow in January was due to base effects as well as the continued repatriation of OFWs.

Dollar reserves pick up anew in February. The country's gross international reserves (GIR) climbed to $109.082 billion in February following a slight decline in January, boosted by gains from the central bank's investments abroad and its foreign exchange operations. The end-February level inched up 0.38% from the $108.673-billion level in January and rose 23.7% from $88.187 billion logged a year earlier. The month-on-month increase in the GIR level reflected inflows mainly from the BSP's foreign exchange operations and income from its investments abroad. However, this was offset by the lower revaluation adjustments of the BSP's gold holdings amid the decline in international gold prices as well as foreign currency withdrawals meant to service debt obligations. At its end-February level, the GIR is enough to cover 11.7 months' worth of imports of goods and payments of services, and primary income.

Fiscal deficit balloons in February amid ramped spending. The country's budget balance swung to a deficit more than tripled to P116 billion in February against its year-ago level, as the double-digit growth in spending outpaced the uptick in revenues. The budget gap was more than tripled in February from the P37.6 billion in the comparable year ago. It was also wider than the P14-billion fiscal gap in January. The Treasury attributed the wider budget gap to the faster pace of spending versus revenue growth after the government released P45 billion in additional capital to state-run financial institutions for their credit guarantee and lending programs. Overall state spending jumped by 37.3% to P335.5 billion in February from P244.4 billion a year ago. This was also faster than the 1.18% increase in January spending. On the other hand, total revenues grew by 6.2% to P219.6 billion in February from P206.8 billion a year ago, a turnaround from the 11.5% contraction in January.

BoP swings to deficit in February. The country's balance of payments (BoP) swung to a deficit of $2.02 billion in February after the government paid off more foreign loans. The BoP deficit in February reflected outflows, arising mainly from the local central bank's reserve management operations and the foreign currency withdrawals of the National Government. These outflows were partly offset by inflows from the central bank's foreign exchange operations and income from its investments abroad. The government's foreign debt stock as of end-January reached P3 trillion, down 3.2% from a month earlier after it repaid P93.49 billion in foreign debt.

FDI inflows slump to lowest in 5 years. Foreign direct investments (FDI) to the Philippines slid to a five-year low in 2020, as the pandemic drove investors toward safe-havens. FDI net inflows last year shrank by 24.6% to $6.542 billion from $8.671 billion in 2019. This is the lowest since the $5.63 billion in FDI inflows seen in 2015 but exceeded the $6-billion full-year projection made by the BSP. Markedly, FDI inflows dropped for the second straight year. The BSP expects FDI to reach $7.5 billion this year, up 15% from the 2020 level.

Hot money flees away PH in February. Foreign portfolio investment, also known as "hot money", posted a net outflow of $40.41 million in February, reversing the $97.92 million net inflow booked in January and the $40.06 million in February last year. The BSP attributed funds fled the country despite the passage of key laws to attract more investors amid the ongoing global health crisis. On a year-to-date basis, the two-month tally summed up a net inflow of $57.51 million, a reversal of the $446.04 million net outflow recorded in the same period last year.

Peso slightly picks up on lower global oil prices, CREATE bill passage. The Philippine peso closed at P48.53/dollar last March 31, appreciating by 0.12% from end-February's finish of P48.59/$. Early in the month, an upbeat appetite was observed with the start of vaccinations in the country. However, the budding momentum has retracted amidst renewed cautiousness due to the continued increase in new COVID-19 infections. The risk-averse sentiment for the market has dissipated as players took interest for the Peso anew following the slower-than-expected core inflation in the US and the increase in the Philippine dollar reserves. The downward pressures were slightly relieved by the adjustment in global oil prices, which have minor dents in oil supply production. Moreover, the peso strengthened on the back of the recently signed Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. Republic Act 11534 was signed by President Duterte, which will immediately bring down corporate income tax to 25% from 30% and will further cut it by a percentage point every year from 2023 to 2027 until it reaches 20%. On a year-to-date basis, the Philippine peso recorded a downside of 1.06% from 2020's close of P48.02/$.