United Fund, Inc.

November 2024

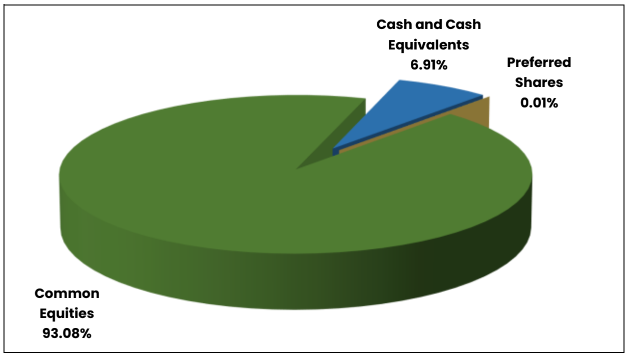
Fund Objective

United Fund, Inc. is a growth-oriented mutual Fund, which seeks to maximize income and maintain liquidity of investments, through a diversified portfolio of listed equity issues.

FACTS & FIGURES

Launch Date	1993	**Fund Size**	P 521.46 M
Structure	Mutual Fund	**Sales Load**	not to exceed 3% of the NAVPS
Asset Class	Equities	**Early Redemption Charge**	1% of the NAVPS
Domicile	Republic of the Philippines	**Minimum Holding Period**	180 calendar days
Currency	Philippine Peso	**Fund Manager**	Cocolife Asset Management Co., Inc.
Minimum Initial Investment	PHP 1,000.00	**Custodian Bank**	Landbank of the Philippines
Minimum Additional Investment	PHP 500.00	**External Auditor**	Punongbayan & Araullo

Portfolio Allocation



SECTOR EXPOSURE OF EQUITY

Holding Firms	32.05%
Property	22.20%
Banks	20.33%
Transportation and Others	5.94%
Electricity, Energy, Power & Water	5.36%
Retail	4.52%
Telecommunications	2.69%
	93.09%

TOP 10 EQUITY HOLDINGS

Company	Sector	% of the Fund
Ayala Corporation	Holding Firms	13.47%
Philippine National Bank	Banks	11.20%
GT Capital Holdings, Inc	Holding Firms	9.08%
SM Prime Holdings, Inc.	Property	8.23%
Ayala Land, Inc.	Property	6.08%
Aboitiz Equity Ventures, Inc.	Holding Firms	5.23%
First Gen Corporation	Electricity, Energy, Power & Water	4.91%
MacroAsia Corporation	Services	4.88%
Megaworld Corporation	Property	4.70%
BDO Unibank, Inc.	Banks	4.54%

Market Recap and Outlook

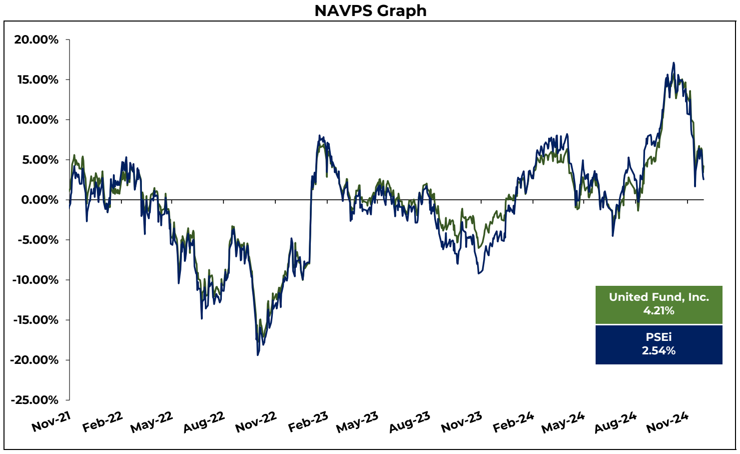
The Philippine Stock Exchange index (PSEi) closed 6,613.85 last November 29, dropping significantly by 7.41% lower compared to end-October close amid concerns over the reelection of Republican leader Donald Trump to US presidency and its global implication particularly his America first policy. Local macrofundamentals backed by favorable and within target inflation as well as the healthy unemployment was insufficient to draw confidence. This was further downplayed by the disappointing gross domestic product (GDP) growth outturn for the third quarter. Accordingly, trading activity circled the drain as more investors panicked to flee emerging markets and saw amassed bloodbath to record a whopping P20.47 billion foreign outflows for November alone, translating to a year-to-date tally of P19.19 billion net selling against the P49.69 billion net selling in 2023.

The local bourse failed to continue its momentum drawing further back to the 6,900 levels on the first week of the month coming from consecutive months of rally through the 7,000 levels. The result of the US Presidential election last November 5 drained the budding optimism as local traders curbed up with caution,
pondering on the possible effects the Trump's victory. Investors even suggested the possibility of inflation spiking up anew as historical data suggests risky policy reformations. Furthermore, the release of the lower-than-expected 3rd quarter local gross domestic product (GDP) data resulted to even weaker sentiment despite analysts' consensus have already priced in the lower GDP considering the slower inflation rate, bringing in further depreciation in the local currency. Despite this, market analysts are seeing this as a buying opportunity heading into the 4th quarter which posts seasonally higher earnings. Throughout the month, the sentiment progressively turned sour for the local equity over worries on the outcomes of Trump's 2nd term presidency. Alongside this, movement in the trading volume was evident as many scurrying away from the Philippine and other emerging markets towards safe-haven economies and other tradable assets such as cryptocurrency gained traction. Paranoia from uncertainties growing overseas, predominantly along the future with Trump's impending America-first regime, resulted to the index pummeling to 6,557 which was near its end-2023 close. The fears have fairly tapered down as the local benchmark recuperated and bolted back the 6,900 territory towards the end of the month alongside cheaper valuation of most blue-chip stocks as well as the reaffirming solid earnings reports. The prospects of another interest rate relaxation from the Bangko Sentral ng Pilipinas added to qualm the uncertainties emanating from the market. The local central bank chief Eli Remolona said that the current condition of the economy may still favor the rate cut efforts they are implementing, which can also support the economic growth after the displeasing GDP outcome for the third quarter. Yet again, the budding momentum was short-lived as geopolitical uncertainties dragged the confidence from local investors, grazing away the early gains instantaneously.

Before we set sail in 2025, the local index may continue to experience volatility and trade within the 6,600 and 7,000 zones in December. Markets are eager to see auspicious improvements that could hit-or-miss the momentum for the stock market. On the local front, economic managers are still expectant that the local economy will attain a GDP growth of 6.0% - 6.5% for 2024 driven by local consumption and government agencies to utilize the remaining budget for year. If realized, this will put the local market to be in a good position coming into 2025. The façade remains to be seen as a good buying opportunity alongside valuations are still inexpensive. However, we still foresee dwindling activity as more investors start to hold assets in preparation for the new year.

FUND PERFORMANCE

NAVPS Graph



November 30, 2024 NAVPS	Year-to-date Return
3.2215	**4.21%**

	Compounded Annual Return	Cumulative Return
One-year	6.52%	6.52%
Three-year	-1.86%	-5.46%
Five-year	-2.39%	-11.40%

* Figures of the funds' performance were based on the fund's actual returns as of November 30, 2024. Note, however, that historical performance is not a guarantee of future results.

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. Loans to private corporations will be limited only to high credit quality Philippine companies that meet the set standards.*

The Philippine Economy at a Glance

GROSS DOMESTIC PRODUCT	FOREIGN EXCHANGE	INFLATION RATE	UNEMPLOYMENT RATE	BSP POLICY RATES	CREDIT RATINGS
5.20% 3Q2024	November 2024 **P58.62/$** (0.90% weaker FTM) (5.87% weaker YTD)	**2.5% (NOV 2024)** **(based on 2018 prices)**	**3.7%** **(SEP 2024)**	**6.50%** (lending rate) **6.00%** (borrowing rate) **5.50%** (overnight deposit)	**BBB+** (Standard and Poor's) **BBB** (Fitch Ratings) **Baa2** (Moody's Investor)

Macroeconomic Updates

DBCC narrows growth target for 2024. The Development Budget Coordination Committee (DBCC) has adjusted the economic prospects for the medium term. The agency narrowed this year's target to 6.0% - 6.5% from the previous estimate of 6.0% - 7.0%, sticking with the 6.0% lower boundary as they saw optimism in the local consumption for 4^{th} quarter alongside lenient monetary policy.

Inflation continues uptrend in November. According to the Philippine Statistics Authority (PSA), the country's inflation recorded an uptick of 2.5% in November, heavily influenced by the higher food and fuel prices. This figure is higher than the 2.3% recorded in October and continued the uptrend in the past two months despite settling within the 2.0% - 4.0% target range, which could support analysts' expectation that the Bangko Sentral ng Pilipinas (BSP) would resolve to keep the rates steady in its upcoming and final Monetary Board meeting for the year.

Unemployment improves further. The country's unemployment rate declined further to 3.7% in September from the 4.0% recorded in August translating to around 1.89 million jobless Filipinos. Meanwhile, the underemployment rate climbed to 11.9% in September from 11.2% in August and 10.7% in September last year. This meant that 5.94 million workers were underemployed in September. The recent figures can be seen as an effect of the monetary easing implemented by the central bank.

Uncertainties hover BSP decision in its last 2024 Monetary Board Meeting. Market watchers were on a mixed view regarding BSP's next policy decision for its last Monetary Board Meeting for 2024. With rate hike taken out of the picture as inflation to remain within the 2.0% - 4.0% target range coupled by the narrative from BSP Governor Eli Remolona that the central bank will continue to ease policy rates, the recent uptrend in inflation together with the weaker peso to some analyst deemed it necessary for the BSP keep the current rates steady, while some analysts still believe that the central bank has the capacity to impose another 25-bps reduction.

Remittances hit $3.34B in September. The country's remittances stood at $3.34 billion in September, up 3.3% from $3.23 billion recorded in September 2023, amid a seasonal surge in money transfers in view of the "ber months" holiday season. September's figures brought the year-to-date personal remittances to stand at $28.07 billion, up 3% from $27.24 billion seen in January to September 2023.

PH international reserves ease to $112.4-B. The Philippines' gross international reserves (GIR) amounted to $112.43 billion last October, easing from the all-time high level of $112.71 billion recorded in September. Foreign currency withdrawals made by the government to pay some of its offshore debts trimmed the Philippines' international reserves in October, but the buffer funds nevertheless remained above the $112-billion level for the second month. The recent GIR figure can cover 8.1 months' worth of imports of goods and payments of services and primary income. The amount is also about 4.5 times the country's short-term external debt based on residual maturity.

FDI net inflows down to $813M in August. Foreign direct investment (FDI) declined in August on the back of lower inflows to debt instruments during the period. The August FDI posted a net inflow of $813 million in August, down from $820 million in July and 14.5% lower than the $951 million during the same month last year. The latest figure brought the year-to-date FDI net inflow to $6.068 billion, higher than the $5.839 billion in the comparable period of 2023.

PH records BOP surplus in the last 10 months. Philippines of payments (BOP) position recorded a surplus of $4.4 billion from January to October this year, consequently, the cumulative BOP was up from the $3.2 billion surplus in the same period last year. The surplus reflected in part the continued net inflows from personal remittances, trade in services, and net foreign borrowings by the government. In October, however, the overall BOP position recorded a deficit of $724 million, a reversal from the $1.5 billion surplus in the same month in 2023 reflecting payments for the settlement of foreign currency debt.

Hot money outflows record largest in October. Foreign portfolio investments reversed to a net outflow of $529.68 million in October, compared to September's net inflow of $1.03 25 billion as investors sold securities to lock in gains. The October net outflow also exceeded the $328.19 million outflow recorded in the same period last year. Consequently, the recent figure was the largest outflow recorded this year, as it surpassed the $312.18 million outflow in April. Year-to-date, short-term foreign investments reached a net inflow of $2.49 billion as of end-October, significantly higher than the $734.12 million recorded during the same period last year. Gross inflows for October totaled $1.479 billion, while gross outflows amounted to $2.009 billion. From January to October, gross inflows totaled $15.015 billion, while gross outflows reached $12.521 billion.

The peso closes slightly weaker in November. The Philippine peso closed at P58.62/dollar last November 29, weaker by 0.90% from last month's close as the recent global economic outturn favored the greenback. The US dollar experienced an upsurge which was driven by safe haven demand due to US President-elect Donald Trump's tariff threats. The peso to dollar exchange rate consolidated within the P58 – P59/dollar range in the month with its weakest close at P59.08/dollar. The local currency gained support from better outlook for the Asian economies.