

Fund Objective

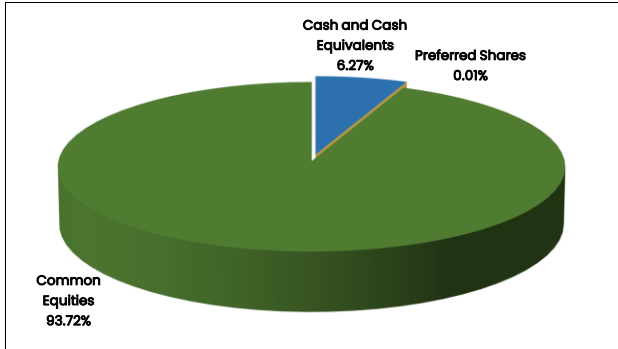
United Fund, Inc. is a growth-oriented mutual Fund, which seeks to maximize income and maintain liquidity of investments, through a diversified portfolio of listed equity issues.

Launch Date	1993
Structure	Mutual Fund
Asset Class	Equities
Domicile	Republic of the Philippines
Currency	Philippine Peso
Minimum Initial Investment	PHP 1,000.00
Minimum Additional Investment	PHP 500.00

FACTS & FIGURES

Fund Size	P 525.18 M
Sales Load	not to exceed 3% of the NAVPS
Early Redemption Charge	1% of the NAVPS
Minimum Holding Period	180 calendar days
Fund Manager	Cocolife Asset Management Co., Inc.
Custodian Bank	Landbank of the Philippines
External Auditor	Punongbayan & Araullo

Portfolio Allocation



SECTOR EXPOSURE OF EQUITY

Electricity, Energy, Power & Water	21.33%
Holding Firms	19.24%
Banks	18.12%
Property	18.00%
Transportation and Others	9.87%
Retail	3.85%
Telecommunications	3.32%
Total	93.72%

TOP 10 EQUITY HOLDINGS

Company	Sector	% of the Fund
Philippine National Bank	Banks	15.05%
JG Summit Holdings, Inc.	Holding Firms	13.53%
Manila Water Company, Inc.	Electricity, Energy, Power & Water	10.02%
Bloomerry Resorts Corporation	Services	8.64%
ACEN Corporation	Electricity, Energy, Power & Water	7.72%
SM Prime Holdings, Inc.	Property	6.23%
Ayala Corporation	Holding Firms	5.68%
Ayala Land, Inc.	Property	4.81%
Megaworld Corporation	Property	4.68%
SSI Group, Inc.	Services	3.85%

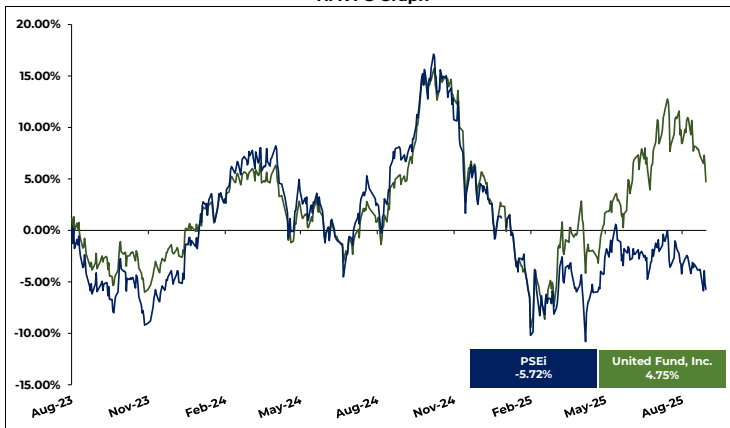
Market Recap and Outlook

The Philippine Stock Exchange index (PSEi) traversed the traditional 'ghost' month spooked as the sentiments pulled the budding confidence under the rugs. The local bourse cascaded by 1.55% to 6,155.57 last August 29 from its previous month's close. Year-to-date, the local benchmark also pitted lower to earmark a 5.72% decline from end-2024's ending of 6,529. The local bourse treaded a new round of consolidation-correction period, reflecting the subdued appetite of most investors as events unfold side by side the ghastly season of lukewarm sentiments of most players with the ghost month. Accordingly, foreign flows settled with a net selling of P4.20 billion in August. In the eight-month period, net outflows tallied to P38.60 billion till August, which was nearly double the net selling seen in the comparable period in 2024.

Early in the month, trading treaded on a very fragile path as the mixed signals from the current global and local economic climate coupled by the developments in US President Trump's tariff saga. The market held on to positive news about lurking uncertainties and potential risks to future growth. Momentum has been reignited by the release of July's inflation data, which grew by 0.9%, the lowest in nearly six years. This fueled expectations of further monetary policy easing from the Bangko Sentral ng Pilipinas (BSP). Investors also reacted to the country's second-quarter gross domestic product (GDP) outturns, which settled to 5.5%, which was within the government's target and was seen as a sign of the economy's resilience despite global headwinds. On the international front, some optimistic progress provided further enthusiasm for the local investor pool. The US and European Union (EU) reached a trade agreement that lowered some levels of tariffs, which was seen as a step back from an all-out trade war from two of the biggest economic blocs. Meanwhile, the slowing down of the US economy, evidenced by weaker business investment data, roused speculation that the US Federal Reserve might consider a more accommodative monetary policy in the near-term future, especially that the interest rate spread with the BSP has become cumbersome unparallelled. The quiet façade due to the seasonal ghost month shoved more investors to shy away from active plays. Moreover, the market mulled over the ongoing tariff negotiations of the Philippines with the United States, which can preserve the economic cooperation and a handy advantage for the former's grip to resilience as exports are considerably the country's strongest suit and output contributor. The stretch of second quarter earnings reports from various publicly listed companies has repelled some confidence as outturns were mixed, speculating that the detriment from tariffs and other headwinds across the globe has already trickled down to growth momentum for some to most stock firms. The shakeup from the local index's main index composition also resulted in some rumbles in the façade. Bloomerry Resorts Corp. (BLOOM) was removed from the 30-member PSEi and was replaced by its gaming rival DigiPlus Interactive Corp. (PLUS). Towards the end of the month, the local stock bellwether faced struggles to pummel its way back the 6,100 zone to hit a four-month low, following US President Donald Trump's latest tariff threats. Analysts reported that the US leader warned of significant tariffs against China. The US leader also cautioned of additional tariffs to countries that would not remove taxes and other measures on digital services. Profit taking activities dominated in the last few days of the month, as investors pocketed their gains before the Bangko Sentral ng Pilipinas (BSP) delivered a widely expected interest rate cut. The local central bank opted to cut benchmark interest rates by 25 basis points (bps) to bring its policy rate to 5.00%, marking the third consecutive quarter-of-a-point cut since April. BSP Governor Eli Remolona said in a briefing that the key rate is now at the "sweet spot" in terms of inflation and output. He added that they could consider further policy loosening if the economy weakens "considerably," with one more cut still possible this year that could mark the end of its current easing cycle.

The final month of the third quarter may still maneuver through murky waters as the local stock index to tread between 6,000 and 6,400 zones as investors consider the recent events that shaken sentiments. New concerns over US pressures to China for a potential fresh round of tariffs could further impeded growth and dislocate harmonious international trade relations. The lack of further positive catalysts in the façade may heap away momentum in the index. We remain optimistic for a rebound coming if more economic data showcase budding results to strong outturn.

NAVPS Graph



FUND PERFORMANCE

August 31, 2025 NAVPS	Year-to-date Return
3.3136	4.75%

	Compounded Annual Return	Cumulative Return
One-year	2.20%	2.20%
Three-year	1.91%	5.83%
Five-year	3.71%	20.00%

* Figures of the funds' performance were based on the fund's actual returns as of August 31, 2025. 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
 5.50% 2Q2025	August 2025  P57.13/\$ (1.42% weaker FTM) (0.73% stronger YTD)	0.9% (JUL 2025) (based on 2018 prices) 	 3.7% (JUN 2025)	5.00% (lending rate) 4.75% (borrowing rate) 4.50% (overnight deposit) 	 BBB+ (Standard and Poor's) BBB (Fitch Ratings) Baa2 (Moody's Investor)

Macroeconomic Updates

UA&P: Philippine economy is seen to grow 5.8% in the third quarter. According to the University of Asia and the Pacific (UA&P), the country's economic growth may pick up in the third quarter despite higher US tariffs and "milder" typhoons. The organization said that despite the Trump tariffs, milder typhoon season will help accelerate the gross domestic product (GDP) expansion in the third quarter to 5.8%, given a low base in 2024. If realized, this would be faster than 5.2% in the third quarter of 2024 and 5.5% print in the second quarter. This forecast is also within the government's revised 5.5% to 6.5% target this year. UA&P cited that consumer spending remains strong aided by low inflation but limited by new US taxes on overseas Filipino workers (OFWs) remittances.

BSP cuts rates for 3rd straight meeting. The Bangko Sentral ng Pilipinas (BSP) has cut its key policy rate for a third meeting in a row and signaled another cut this year that may be the last for this monetary easing cycle. The Monetary Board reduced the target reverse repurchase rate by 25-bps to 5.00% from 5.25%. Markedly, this was also the lowest level in nearly three years since November 2022. Rates on the overnight deposit and lending facilities were also lowered by 25 bps each to 4.5% and 5.5%, respectively. To recall, the local central bank has so far lowered borrowing costs by a total of 125 bps since it began its easing cycle in August last year. For this year, it delivered two 25-bp cuts each at its last two meetings in April and June. The BSP projected inflation to average 1.7% this year, a tad higher than its 1.6% projection in June. BSP Governor Eli Remolona noted that the BSP can have space for one more cut. If the data develops the way the BSP think it will develop, then maybe one more cut this year, adding that this could mark the end of the current easing cycle.

Inflation is expected to speed up to 1.2% in August. The country's inflation rate is expected to grow faster in August to 1.2%, attributed to the higher electricity and transport costs and a spike in vegetable prices after monsoon rain battered crops. Even with the pickup, inflation is still expected to undershoot the BSP's 2.0% to 4.0% target range for a sixth straight month—a stretch of subdued price gains that could shape the central bank's next policy moves. If realized, the August figure may be higher than July's 0.9% increase and in line with the BSP forecast of 1.0% to 1.8%.

June remittances rise to six-month high. Remittances jumped by 3.7% year-on-year to \$2.99 billion in June from \$2.88 billion. Notably, this was the highest value of monthly remittances seen in six months or since the \$3.38 billion logged in December last year. For the first semester, the latest figure went up by 3.1% to \$16.75 billion from the \$16.25 billion recorded in the comparable year-ago period.

July trade deficit narrows to two-month low. The country's exports grew by 17.3% year on year in July to \$7.34 billion, higher than the 0.1% expansion a year earlier. However, this pace was slower than the revised 26.9% growth in June. It was the slowest pace for exports in two months or since the 15.5% growth posted in May. Meanwhile, the country's imports slowed by 2.3% year on year to \$11.38 billion in July, as well as the 15.7% increase in June. Notably, this was the weakest pace in two months or since the 1.1% drop in May. Accordingly, the country's trade balance reached a deficit of \$4.05 billion in July, 17% smaller than the \$4.88-billion deficit in July last year. July saw the narrowest trade deficit since the \$3.63-billion gap in May. For the first seven months, the trade deficit narrowed to \$28.46 billion, 4.9% lower from the \$29.93-billion deficit a year ago. In the January-to-July period, exports increased by 13.9% to \$48.62 billion, while imports rose by 6.1% to \$77.09 billion.

Budget deficit shrinks to P18.9B. The government's budget balance swung to a deficit, although it sharply narrowed in July amid the sluggish pace of revenue collection and spending. Data from the Treasury showed that the budget gap shrank by 34.42% to P18.9 billion in July from P28.8 billion in the same month a year ago. On a monthly basis, the fiscal gap plunged by 92.17% from the P241.6-billion deficit in June. In July, revenues went up by 3.26% to P472.3 billion from P457.4 billion in the same month last year, as higher tax collections offset the decline in nontax revenues. Meanwhile, government spending inched up by 1.02% to P491.2 billion in July from P486.2 billion in the same month in 2024. In the first seven months of the year, the Philippines' budget deficit ballooned by 22.04% to P784.4 billion from the P642.8-billion gap last year, as expenditure growth outpaced revenues. The Treasury said the budget deficit was on track to hit the revised P1.56-trillion full-year deficit ceiling.

Peso continues to weaken amidst ambiguity in Fed rate cut discourse. The Philippine peso settled at P57.13/dollar last August 29. The foreign exchange market initially dropped amid a weaker dollar overnight due to increased dovish Fed bets. The US Commerce department reported that its Personal Consumption Expenditures (PCE) price index rose 0.2% last month after an unrevised 0.3% rise in June. The Fed tracks the PCE price measures for its 2% inflation target. With this, the CME FedWatch tool and bets among market players noted that it may keep the US Fed on track for a widely expected rate cut at its upcoming meeting on September 16-17. Money markets are pricing in an 87% chance of an easing, up from 63% a month earlier. US President Trump is trying to reshape the Fed after repeatedly criticizing the central bank and its chair, Jerome Powell, for not cutting interest rates.

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