

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
FACTS & FIGURES
Structure

1993

Asset Class

Mutual Fund

Domicile

Equities

Currency

Republic of the Philippines

Minimum Initial Investment

Philippine Peso

Minimum Additional Investment

PHP 1,000.00

PHP 500.00

Fund Size

P 526.30 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

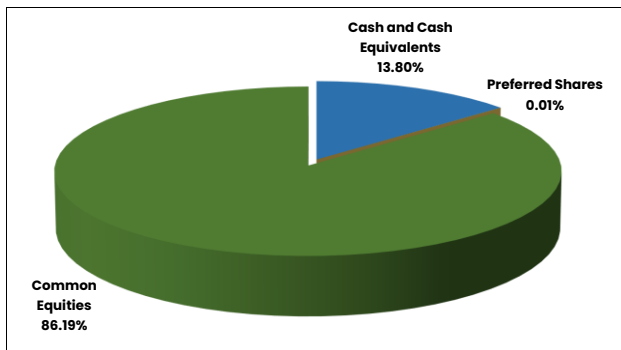
Cocolife Asset Management Co., Inc.

Custodian Bank

Landbank of the Philippines

External Auditor

Punongbayan & Araullo

Portfolio Allocation

SECTOR EXPOSURE OF EQUITY

Electricity, Energy, Power & Water	23.77%
Banks	16.30%
Holding Firms	16.09%
Transportation and Others	12.32%
Property	12.22%
Retail	3.54%
Telecommunications	1.94%

86.19%

TOP 10 EQUITY HOLDINGS

Company	Sector	% of the Fund
Philippine National Bank	Banks	13.42%
JG Summit Holdings, Inc.	Holding Firms	12.55%
ACEN Corporation	Electricity, Energy, Power & Water	11.28%
Bloomerry Resorts Corporation	Services	11.15%
Manila Water Company, Inc.	Electricity, Energy, Power & Water	9.26%
SM Prime Holdings, Inc.	Property	4.59%
Megaworld Corporation	Property	3.98%
SSI Group, Inc.	Services	3.54%
Ayala Corporation	Holding Firms	3.51%
Ayala Land, Inc.	Property	3.13%

Market Recap and Outlook

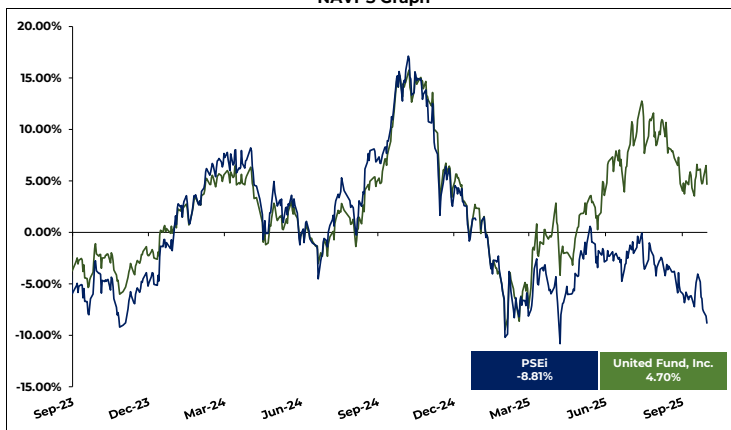
The Philippine Stock Exchange Index (PSEI) faced significant headwinds in September and finished the month at 5,953.46, resulting in a monthly loss of 3.28% from end-August level. The index began the month around the 6,140 level and experienced a brief rally mid-month, with a high of over 6,280 points. However, strong selling pressure dominated the latter half of September, causing the index to slip. This closing value marked a fresh near six-month low and extended the index's losing streak for a third consecutive month, reflecting a prevailing bearish sentiment among market participants. In terms of trading volume, September earmarked the first month since March that registered a net buying of P2.64 billion amidst the lethargic façade that woes sentiments. Accordingly, foreign flows until the end of the third quarter summed to P35.96 billion outflows, a turnaround from last year's P129.31 million inflows yet smaller than P38.60 billion net selling seen in the 8-months period of 2025.

One of the most potent domestic factors that severely weighed on the market was the political fallout from corruption allegations involving multi-billion-peso flood control infrastructure projects. News of congressional probes, and the resulting public outrage exemplified by the "Trillion Peso March," significantly dampened investor confidence. This political uncertainty and the perceived risk of misgovernance triggered heavy net foreign selling, as investors sought to exit the local bourse amid the controversy. The negative sentiment from these domestic issues often overshadowed more favorable local economic data.

In addition to political concerns, macroeconomic pressures contributed to the PSEI's decline. The Philippine Peso (PHP) continued its depreciation against the US Dollar (USD), with the local currency breaching the crucial P58/dollar level, a two-month low. A weaker peso raises the cost of imports, which can fuel inflationary expectations and adversely affect the earnings of companies reliant on foreign inputs. While the local inflation rate for August 2025 remained within the government's target range, the peso's weakness and external uncertainties counteracted any potential optimism from a relatively stable inflation outlook.

External market dynamics further compounded the downward pressure on the PSEI. Global market jitters were fueled by uncertainty surrounding the US Federal Reserve's monetary policy and the possibility of a US government shutdown. Although the Philippines' central bank (BSP) was anticipated to continue with its monetary policy easing, the prevailing cautious mood globally led investors to take a risk-off stance. The combination of local political scandals, a depreciating currency, and a lack of strong positive domestic catalysts resulted in persistent selling, driving the main index to end the month firmly in the red.

The index will likely continue to trade within the 5,800 – 6,200 level as investors grew more cautious about the ongoing issues facing the country, which continue to weigh on overall market confidence. Despite the optimistic macro fundamentals given that the BSP still affirms the continued monetary easing as inflation rate remained stable and GDP showing signs to continue its current trajectory, the market may continue to trade within its track, reflecting the prevailing bearish sentiment among participants. Any significant development in the political woes could sway the market in the coming month.

NAVPS Graph

FUND PERFORMANCE

September 30, 2025 NAVPS	Year-to-date Return
3.3120	4.70%

	Compounded Annual Return	Cumulative Return
One-year	-5.33%	-5.33%
Three-year	6.21%	19.82%
Five-year	3.63%	19.52%

* Figures of the funds' performance were based on the fund's actual returns as of September 30, 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.

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The Philippine Economy at a Glance

GROSS DOMESTIC PRODUCT	FOREIGN EXCHANGE	INFLATION RATE	UNEMPLOYMENT RATE	BSP POLICY RATES	CREDIT RATINGS
 5.50% 2Q2025	September 2025  P58.19/\$ (1.42% weaker FTM) (0.73% stronger YTD)	1.7% (SEP 2025) (based on 2018 prices) 	 5.3% (JULY 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

ADB maintains 5.6% growth forecast for PH in 2025. The Asian Development Bank (ADB) kept its 2025 economic growth forecast for the Philippines unchanged, expecting strong domestic demand to sustain growth despite global trade and geopolitical risks. The ADB projects the Philippine economy will expand by 5.6% this year, supported by investments and an accommodative monetary policy. For 2026, the growth forecast is 5.7%, matching the country's actual growth rate in 2024.

BSP sees September inflation at 1.5%-2.3%. The Bangko Sentral ng Pilipinas (BSP) estimates that September inflation likely fell between 1.5% and 2.3%. This forecast suggests inflation may have finally landed back inside the BSP's 2-4% target range for the first time since February. While the lower end of the forecast (1.5%) would mean inflation held steady from August, the upward pressure for the month primarily came from higher prices for rice, fish, and fuel.

BSP likely to keep key rates steady. The BSP is widely expected to keep interest rates unchanged at its October Monetary Board meeting. This decision would signal a pause in the easing cycle that began last August, during which the central bank has already cut rates by a total of 1.5 percentage points. While soft inflation has previously given the BSP room to lower borrowing costs and boost growth—which has been strained by global factors like higher U.S. tariffs—analysts now see risks related to the sliding peso and the need for clearer economic data as reasons for the central bank to temporarily stop its rate cuts.

Gov't budget utilization rate hits 94% in July. The Department of Budget and Management (DBM) reported that the government's cash utilization rate remained strong at 94% through the end of July, matching the performance from the previous year. This means that the National Government, local governments, and government-owned corporations used ₱2.81 trillion of their cash allocations, leaving ₱178.16 billion unused.

Philippines' GIR slightly rises in August due to gold prices. The Philippines maintained a strong buffer against external shocks, with its Gross International Reserves (GIR) settling at \$105.9 billion in August, up from \$105.4 billion in July. According to the central bank, this increase was primarily driven by the twin factors of higher gold valuation and investment income. This amount is more than adequate, covering 7.2 months of imports and services payments, and providing 3.4 times the coverage for the nation's short-term foreign obligations.

Trade deficit hit \$24.41b in first six months. Despite a strong 9.2% increase in external merchandise trade, which hit \$106.99 billion in the first half of 2025, the Philippines continues to struggle with a significant trade deficit. Although the \$24.41 billion shortfall was 2.6% lower than the previous year's gap, the country's imports still outpaced its exports. This wide deficit—the difference between the value of imports and exports—negatively affects the national balance of payments and the foreign exchange rate. The United States remained the top destination for Philippine exports, while China was the largest source of imported goods.

PH books August dollar surplus. The Philippines posted a \$359 million BOP surplus in August, marking a turnaround from the \$167 million shortfall recorded in July. This surplus, the third this year, was primarily fueled by the central bank's strong returns on its investments abroad, which greatly improved the nation's external financial position. Although the overall year-to-date BOP remains in deficit due to the high cost of imports (trade imbalance), the monthly BOP position was supported by a resilient influx of dollars from overseas worker remittances, foreign loans, BPO revenues, and foreign investments. The August surplus, in turn, strengthened the country's Gross International Reserves (GIR), which rose from \$105.4 billion to \$107.1 billion by the end of the month.

FDI inflows down to lowest in 6 months. Net FDI into the Philippines hit a six-month low in June, falling to \$376 million. The central bank attributed the 17.8% year-on-year drop to a significant reversal in equity capital investments, which saw more money pulled out than put in. Specifically, the country registered a net equity capital outflow of \$57 million in June, compared to a net inflow the previous year. This was driven by a dramatic spike in withdrawals, which reached \$187 million. Meanwhile, investments in debt instruments, mainly intercompany loans, provided a partial cushion, rising 9.3% to \$305 million.

The peso amid market uncertainties. The Philippine Peso closed at P58.196 to the dollar on September 30, representing a 3.53% depreciation from the previous month. This was the peso's weakest closing in two months or since its P58.32/dollar finish on July 31. The peso sank to a fresh two-month low against the dollar as market sentiment remained negative due to concerns over corruption involving state infrastructure projects and a potential US government shutdown.

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