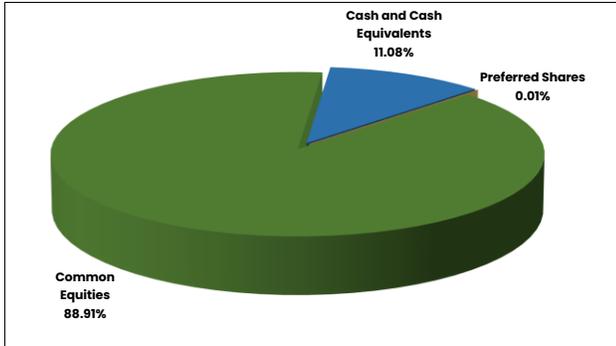


Fund Objective

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 553.84 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

| | |
|------------------------------------|---------------|
| Electricity, Energy, Power & Water | 31.09% |
| Holding Firms | 21.40% |
| Banks | 17.73% |
| Property | 8.09% |
| Transportation and Others | 7.06% |
| Retail | 3.50% |
| Telecommunications | 0.03% |
| Total | 88.91% |

TOP 10 EQUITY HOLDINGS

| Company | Sector | % of the Fund |
|--------------------------------|------------------------------------|---------------|
| Philippine National Bank | Banks | 14.28% |
| JG Summit Holdings, Inc | Holding Firms | 14.67% |
| Manila Water Company, Inc. | Electricity, Energy, Power & Water | 10.86% |
| ACEN Corporation | Electricity, Energy, Power & Water | 10.15% |
| First Gen Corporation | Electricity, Energy, Power & Water | 7.03% |
| Bloomberry Resorts Corporation | Services | 9.71% |
| Alliance Global Group, Inc. | Holding Firms | 0.49% |
| SSI Group, Inc. | Services | 0.67% |
| Ayala Land, Inc. | Property | 3.37% |
| SM Prime Holdings | Property | 3.50% |

Market Recap and Outlook

The Philippine Stock Exchange Index (PSEi) started the year on a positive note, ending January at 6,328.97 points, up 4.56% from end-2025 levels. This strong start was in line with the typical "January effect," when the market often rises due to investor optimism and expectations for the year ahead. In January, the index experienced a volatile yet resilient month. It kicked off the year by surpassing the 6,100-mark early in the month, driven by positive sentiment surrounding improved factory activity and tame December inflation (1.8%). However, the market faced significant downward pressure mid-month, with the benchmark oscillating between the 6,200 and 6,300 levels as it contended with a record-low peso and disappointing macroeconomic data releases.

Local performance was heavily weighed down by the "dismal" Q4 2025 GDP report, which showed growth slowing to just 3%, missing market expectations of 3.8%. This slowdown was attributed to the lingering effects of a massive infrastructure corruption scandal that stalled public spending, as well as a series of destructive typhoons that hampered agricultural and industrial output in late 2025. Domestically, political noise—specifically impeachment complaints against top executive officials—served as a further distraction for investors, raising concerns about the government's ability to implement necessary fiscal and economic reforms.

On the international front, the PSEi was buffeted by geopolitical tensions in the Middle East, particularly involving Iran and Israel, which sparked a flight to safety and pushed fuel prices higher. The strength of the US dollar also played a critical role, as the greenback surged, the Philippine peso hit a record low of ₱59.44 per US dollar in mid-January, stoking fears of imported inflation and prompting foreign investors to remain cautious. Toward the end of the month, however, a slight softening of the dollar and hopes for a US Federal Reserve pause on rate hikes provided some relief, allowing for a modest rebound driven by bargain hunting.

Sectoral performance was mixed. Financials and Services generally outperformed as investors bet on the Bangko Sentral ng Pilipinas (BSP) potentially cutting interest rates to stimulate the sluggish economy. In contrast, the Mining and Oil sector experienced sharp volatility, plunging over 13% in certain sessions due to fluctuating global commodity prices and localized sentiment shifts. Real Estate and Consumer Staples also struggled, as the weak peso and high fuel costs dampened outlooks for household spending and property development.

Looking ahead to February 2026, prospects for the PSEi remain cautiously optimistic but tethered to macroeconomic recovery, with the index likely to hover within the 6,100–6,400 range. Market participants are laser-focused on the BSP's February policy meeting, where a rate cut is widely anticipated to counteract slow GDP growth. If the government can demonstrate a "catch-up" in infrastructure spending and inflation remains within the 2.0% to 4.0% target range, the index could test the 6,400 to 6,500 resistance levels. However, the market is likely to remain sensitive to any further escalations in global oil prices or local political developments that could disrupt the fragile recovery.

FUND PERFORMANCE
NAVPS Graph


| January 30, 2026 NAVPS | Year-to-date Return |
|------------------------|---------------------|
| 3.4984 | 6.44% |

| | Compounded Annual Return | Cumulative Return |
|-------------------|--------------------------|-------------------|
| One-year | 22.13% | 22.13% |
| Three-year | 2.50% | 7.68% |
| Five-year | 2.38% | 12.47% |

* Figures of the funds' performance were based on the fund's actual returns as of January 30, 2026. 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

| | | | | | |
|---|---|---|---|--|---|
| <p>GROSS DOMESTIC PRODUCT</p>  <p>4.40% Full-year 2025</p> | <p>FOREIGN EXCHANGE January 2026</p>  <p>P58.86/\$ (0.03% stronger FTM) (0.03% weaker YTD)</p> | <p>INFLATION RATE</p> <p>1.7% (2025) (based on 2018 prices)</p>  | <p>UNEMPLOYMENT RATE</p> <p>4.4% (NOV 2025)</p>  | <p>BSP POLICY RATES</p> <p>5.00% (lending rate) 4.50% (borrowing rate) 4.00% (overnight deposit)</p>  | <p>CREDIT RATINGS</p>  <p>BBB+ (Standard and Poor's) BBB (Fitch Ratings) Baa2 (Moody's Investor)</p> |
|---|---|---|---|--|---|

Macroeconomic Updates

Philippine economy faces Q4 slowdown. In the final quarter of 2025, the Philippine economy experienced a slowdown to 3% GDP growth, down from a revised 3.9% in Q3. This deceleration, fueled by typhoon damage and a strategic pause in infrastructure spending, resulted in a full-year growth rate of 4.4%, short of government targets. Despite these headwinds, officials maintain that ongoing governance reviews of major projects will lead to more efficient and sustainable long-term execution.

Inflation to stay within target range. The BSP expects inflation to remain within the target range despite early-year price pressures, noting that January inflation could settle at 1.4%–2.2% following December’s 1.8%. While higher food and fuel prices, excise tax hikes, and peso depreciation pose upside risks, easing electricity costs and stabilizing vegetable prices may help temper inflation.

Weaker growth strengthens case for BSP rate cut. Weaker Q4 GDP growth has strengthened the case for a near-term rate cut by the BSP, with analysts widely expecting a 25-basis-point reduction at the February 19 policy meeting. Governor Remolona stressed that inflation remains the central mandate and will guide the decision, while the central bank evaluates incoming data on growth, prices, and external conditions.

Philippines sees narrower trade deficit in December. In December 2025, the Philippines’ trade deficit narrowed by 15% to \$3.254 billion as export growth significantly outperformed imports. Driven by strong demand for electronics, bananas, gold, and machinery, exports surged 23.3% to \$6.992 billion. Meanwhile, imports grew more modestly at 7.1% to \$10.517 billion, led by electronics and fuel, with China remaining the primary supplier. Overall trade value rose 13% to \$17.510 billion, signaling robust industrial activity and a strengthening external economic position.

Weaker inflows push Philippines’ BoP into deficit. The Philippines recorded a \$5.7 billion balance of payments (BOP) deficit in 2025, a sharp reversal from 2024’s \$609 million surplus. December contributed an \$827 million deficit due to year-end debt payments and profit repatriation. This annual decline was driven by weakened capital inflows, lower FDI, and portfolio outflows, though the final figure remained within BSP projections. For 2026, the BSP anticipates a slightly wider \$5.9 billion deficit while maintaining stable foreign reserves.

Foreign investments plunge further. In October 2025, Philippine foreign direct investment (FDI) net inflows plummeted by 39.8% year on year to \$642 million, largely due to a sharp 50.7% drop in debt instrument investments as foreign parent companies reduced loans to local affiliates. While this figure reflects a month-on-month recovery from September’s five-year low, the overall decline was fueled by investor caution surrounding domestic political uncertainty and global trade tensions. Despite these headwinds, modest growth in reinvested earnings and equity capital from Japan, the U.S., and Singapore provided a slight buffer to the downward trend.

Peso starts 2026 slightly weaker. The Philippine peso closed at P58.86 per dollar on January 30, slightly weaker than the previous month’s close of P58.79. The peso’s performance reflected a mix of global and domestic factors, with a weaker U.S. dollar and positive market sentiment helping to cushion the decline, while softer Q4 GDP growth and cautious signals from the U.S. Federal Reserve limited any recovery.

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