MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF UNITED FUND, INC. (the "Corporation")

Held at the Executive Dining Lounge (EDL), 6th Floor COCOLIFE Bldg., 6807 Ayala Avenue, Makati City, and via remote communication (teleconferencing and videoconferencing through Microsoft Teams Application) on the 28th day of July 2023 at **10:00** o'clock in the morning.

The Corporate Secretary reported the attendance of stockholders, in person and by proxies, holding shares which represent **72.70%** of the total outstanding capital stock of the Corporation.

I. CALL TO ORDER

Pursuant to the provisions of R.A. 11232 or the Revised Corporation Code of the Philippines and Securities and Exchange Commission (SEC) Memorandum Circular No. 6-2020, the hybrid Annual Meeting of the Stockholders of the Cocolife Dollar Fund Builder, Inc. (the "**Corporation**") was conducted at the Executive Dining Lounge (EDL), 6th Floor, COCOLIFE Bldg., 6807 Ayala Avenue, Makati City, and via remote communication (teleconferencing and videoconferencing through Microsoft Teams Application) on July 28, 2023 at 10:30 o'clock in the morning, for the following purposes:

1. To read and approve the Minutes of the Stockholders' Meeting held on June 29, 2022;

2. To present and approve the Annual Report of the President and the 2022 Audited Financial Statements;

3. To confirm all the acts of the Board of Directors, Corporate Officers and Investment Manager since the last annual meeting;

4. To elect the members of the Board of Directors for 2023-2024;

5. To appoint the Corporation's External Auditors;

6. To renew the Investment Management and Distribution Agreement with Cocolife Asset Management Co., Inc.;

7. To transact any business which may properly come before such meeting.

The Chairman of the Board, Gen. Eduardo SL. Oban, Jr. (Ret.) presided over the meeting; and the Corporate Secretary, Atty. Rex D. Lampa, recorded the Minutes of the proceedings.

II. <u>PROOF OF NOTICE OF THE MEETING</u>

Upon being called to give proof of due notice of the meeting, the Corporate Secretary certified that notices have been duly sent to all the stockholders of record or to their registered proxies at their last known addresses.

III. <u>CERTIFICATION OF QUORUM</u>

The Corporate Secretary certified that, with the attendance of stockholders, in person and represented by proxies, holding shares which represent 72.70% of the total outstanding capital stock of the **Corporation** entitled to vote, there was a quorum required for the stockholders to validly transact business during the meeting.

IV. <u>APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD ON JUNE 30, 2021</u>

The Chairman proceeded to the first item in the Agenda which was the reading and approval of the Minutes of the adjourned Annual Stockholders' Meeting held on June 29, 2022.

Director Kevin Hernandez moved that the reading of the Minutes of the adjourned Annual Stockholders' Meeting held on June 30, 2021 be dispensed with inasmuch as copies of the said Minutes have been furnished to the Stockholders prior to the Meeting, and that the same be approved.

The motion having been duly seconded by Director Agatha Matabuena, and there being no objection made thereto, the Stockholders unanimously passed and approved the following resolution:

RESOLUTION

"RESOLVED, that the Minutes of the Adjourned Annual Stockholders' Meeting held on June 29, 2022 be, and is hereby approved."

V. ANNUAL REPORT OF THE PRESIDENT AND APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR 2022

The Chairman proceeded to the next item in the Agenda which was the Annual Report of the President and the Audited Financial Statements for 2022.

Atty. Jan Robert Beltejar, Director and President of the Corporation, presented for approval the 2022 Audited Financial Statements of the **Corporation** as attached to the President's Report. Below is the Report of the President to the Stockholders.

PRESIDENT'S REPORT
UNITED FUND, INC.

As of December 31, 2022, United Fund, Inc.'s net assets amounted to P591.47 million, 7.19% lower than end-2021 level of P637.30 million,

Likewise, the Fund's gross investment income dropped by 18.21% to P19.70 million from P24.09 million booked in 2021. Gain on sale of financial assets at FVTPL dropped by 51.15% from P11.26 million to P5.51 million. Meanwhile, dividend income increased by 30.08% from P10.13 million to P13.18 million. Likewise, interest income increased by 60.96% from 634 thousand to P1.02 million. There were no other income and fair value gains on financial assets at FVTPL booked in 2022.

As a result, the Fund registered a net loss of P51.37 million, reversing the P7.58 million income booked in 2021.

Accordingly, the Net Asset Value per Share (NAVPS) of United Fund, Inc., with 90% exposure in equities, 7% in government securities, and 3% in cash and cash equivalents at year-end, decreased by 7.97% year-on-year to 3.0939 in 2022 from 3.3618 in 2021, in synch with the lackluster performance of the stock market.

The local stock market saw a very tumultuous year in 2022, commencing with stellar hopes and sparkling prospects for the economy but gradually collapsing from grace as the road to post-pandemic stability was shaken by a variety of geopolitical and macroeconomic factors. Accordingly, the benchmark Philippine Stock Exchange index (PSEi) settled with a loss of 7.81% from end-2021 levels, trimming 557-points from 2012's 7,123 to 6,566. In turn, the full-year tally of foreign outflows totaled P67.80 billion net selling from end-2021's net foreign inflows of P4.78 billion.

Trading in the first quarter was generally in the red following the reimposition of tighter restrictions in Metro Manila due to rising cases of COVID-19. In January, many players unloaded positions as COVID-19 risks escalated amid the rise in infections and the detection of more cases with the Omicron variant. As other countries gradually shift back to normal, the growing tensions between Russia and Ukraine wrecked the growing confidence in global markets. Russia has amassed more than 100,000 military troops near the border of Ukraine, a radical move to demand an end to the North Atlantic Treaty Organization's (NATO) eastward expansion and in retaliation with Ukraine's application to join the alliance. Furthermore, Fitch Ratings kept a negative outlook for the Philippines, spoiling confidence in Philippine equities.

The souring appetite was further solidified in the 2nd quarter as most market participants continued to be vigilant amidst the lingering uncertainties of the European crisis. Ukrainian President Volodymyr Zelenskyy said Russia could resort to chemical weapons as it amassed troops further within the invaded soil. This comes along with the aggressor sending a formal diplomatic note to the US administration, warning the latter that further intervention would just complicate the problem. More so, the Shanghai lockdown in April and the spread of cases in Beijing have weighed on the growth outlook for the world's second-largest economy and investment sentiment. Towards the end of the quarter, the negotiations between Russia and Ukraine failed. This crisis remained a significant factor for the trade dislocations and the escalation in global inflation, which overturned hopes of a supposedly robust economic growth this year away from the pandemic.

The second semester opened with a brighter tone as the gradual drop of oil prices lifted investor sentiment since expectations of a downtrend could assist the local inflation to taper down from its current highs. However, this momentum was short-lived as the market monitored the US inflation report alongside the peso breaching P56-level. The BSP Monetary Board even delivered an all-time high hike of 75 basis points tagged as an urgent action due to the worsening price pressures. In August, trading was more upbeat as most players cheered the country's growth prospects moving forward after the strong first half GDP average growth of 7.8%, on track of the government's 6.5-7.5% target forecast this year. Market players took optimism on the increased certainty of the administration's economic priorities, particularly with the early submission of the 2023 National Budget. Moreover, Moody's kept the country's credit rating to "Baa2" with a "stable" outlook in September, as economic recovery is unlikely to be inhibited by the "challenging global credit conditions". The credit watcher expects sufficient momentum to support GDP growth of 6.6% for 2022 and 6.2% for 2023, as price pressures are set to moderate while commodity prices ease from peaks recorded earlier this year.

Towards the last quarter of the year, local shares were trading better after the previous months' recurring bloodbaths that resulted to cheaper valuations and extremely oversold technical levels. Stocks sustained the buying momentum alongside the US Federal Reserve recognized the possibility that an over-aggressive stance may damage the global economy, indicating that the Fed may slow down its tightening process. The euphoria was further fortified by local shares surging further alongside the Philippine peso that gradually recovered against the dollar. Momentum was supported as well by the government's fiscal deficit narrowed in September. Additionally, the local index climbed on the better-than-expected local gross domestic product (GDP), which grew by 7.6% in the third quarter. Overseas, the Philippine market took positive cues over the relaxation of China's strict COVID-19 protocols. Despite the slew of positive catalysts in the market, the PSEi succumbed to selling pressures anew after the US Federal Reserve's move to raise its interest rate by 50 bps to the 4.25-4.50% range, with projections of further hikes to reach 5.00-5.25% in 2023. Locally, the BSP tracked the same policy route to raise policy rates, bringing its policy rate to 5.50%. With such prospects from the central banks, the index ended in the red as investors turned averse and turned away from holding stock assets ahead of the Christmas break and the year-end trading.

2023 is shaping up to be a better year, with the Philippine economy seen to remain resilient against external shocks. Markets worldwide are expected to remain volatile amid the slowing global economy, however, the Philippines can defy the odds and become one of Asia's growth leaders with a GDP forecast of 6-7%, higher than most economies in the region. Anchored with a vibrant consumer base, solid fundamentals and recovering business earnings, we are projecting the PSEi to hit our target range of 7,300 of 7,800 this 2023, translating to an upside of 11-19% from the end-2022 level of 6,566. As a result, we expect UFI to achieve a 9.66% return this year.

Discussions ensued; and, thereafter, upon motion duly made by Director Carolina Diangco and duly seconded by Director Alexander Pama and there being no objection made thereto, the Stockholders unanimously passed and approved the following resolution:

RESOLUTION

"RESOLVED, that the 2022 Audited Financial Statements of the Corporation and the Annual Report of the President be, and is hereby, approved and noted."

VI. CONFIRMATION AND RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND INVESTMENT MANAGER

The Chairman declared that the next item in the Agenda was the confirmation of all acts of the Board of Directors, Corporate Officers and the Investment Manager.

President Beltejar moved that all decisions made, actions taken, and programs of action initiated and implemented by the Board of Directors, the Officers and the Investment Manager of the **Corporation**, from June 30, 2022 up to July 28, 2023, be confirmed and ratified.

Board Resolution No.	Date of Approval	Description
2022-08	08-26-2022	Opening of Settlement Accounts with Landbank of the Philippines (Tordesillas Branch)
2022-09	09-23-2022	Re-appointment of P&A as the Company's External Auditor and Approval of Audit Fees
2022-10	09-23-2022	Re-accreditation of Banks and Financial Institutions as Counterparties and Updating of Authorized Signatories
2022-11	09-23-2022	Updating of Designated Contact Person and E-mail address for Transactions with the Securities and Exchange Commission
2022-12	10-21-2022	Enrollment in Lank Bank of the Philippines Electronic Tax Payment System (ETPS)

2022-13	10-21-2022	Updating of Authorized Representatives in the BIR
2022-14	10-21-2022	Enrollment in Gcash Bills Payment and Funds Disbursement Services
2022-15	11-25-2022	Authorized Representative for the Registration and Submission of Loose-leaf Books of Accounts and Official Receipts for 2022
2022-16	12-01-2022	Election of Atty. Darren M. De Jesus as a Member of the Board of Directors of UFI vice Romeo F. Barza
2022-17	12-01-2022	Election of Atty. Darren M. De Jesus as Chairman of UFI
2023-01	01-27-2023	Accreditation of Philippine Commercial Capital, Inc. as Counterparty for Short Term Placements and Trading of Government Securities and Peso Corporate Notes/Bonds
2023-02	01-27-2023	Re-accreditation of Banks and Financial Institutions as Counterparties and Updating of Authorized Signatories
2023-03	01-27-2023	Updating of Signatories for the Direct Depository Account with PDTC
2023-04	03-31-2023	Election of Gen. Eduardo SL. Oban, Jr. as Chairman of UFI vice Darren M. De Jesus
2023-05	03-31-2023	Approval and Issuance of the Audited Financial Statement of UFI for 2022
2023-06	04-28-2023	Accreditation and Subscription to DNL Shares
2023-07	04-28-2023	Application for Amnesty of Fines and Penalties with the Securities and Exchange Commission
2023-08	04-28-2023	Authorizing the Printing of Official Receipts and Designation of Representatives from Lobster Printing Corporation
2023-09	06-30-2023	Postponement of UFI Annual Stockholders Meeting from June 28, 2023 to July 28, 2023
2023-10	06-30-2023	Accreditation of Papa Securities, Corp. as Counterparty for Trading of Securities

The motion having been duly seconded by Director Federico Escaler and there being no objection made thereto, the Stockholders unanimously passed and approved the following resolution:

RESOLUTION

> "RESOLVED, that all decisions made, actions taken, and programs of action initiated and implemented by the Board of Directors, the Officers and the Investment Manager of the **Corporation**, from June 30, 2022 up to July 28, 2023, be, and are hereby, confirmed and ratified."

VII. ELECTION OF DIRECTORS

The Chairman declared that the next item in the agenda was the election of the members of the Board of Directors who would serve for the 2023-2024 period, or until their successors shall have been elected and qualified.

The Amended Articles of Incorporation of the **Corporation** provides that the Board of Directors shall be composed of nine (9) members.

Thereafter, the Chairman declared the table open for nomination.

A stockholder nominated the following stockholders as candidates for election as members of the Board of Directors of the **Corporation:**

Atty. Jan Robert V. Beltejar
Atty. Jose Martin A. Loon
Atty. Kevin Paolo M. Hernandez
Atty. Agatha Josephine V. Matabuena
Vice Admiral Alexander P. Pama (Ret.)

As regular members of the Board

and

Gen. Eduardo SL. Oban, Jr. (Ret.)
Ms. Carolina G. Diangco
Mr. Federico Luis M. Escaler

Mr. Jose Manuel C. Razon

As Independent Directors

Another stockholder seconded the motion, and he further moved that the nominations be closed.

A stockholder seconded the motion to close the nominations of candidates for election as members of the Board of Directors.

Upon motion duly made and seconded, and there being no objection made thereto, the Chairman declared that:

Atty. Jan Robert V. Beltejar
Atty. Jose Martin A. Loon
Atty. Kevin Paolo M. Hernandez
Atty. Agatha Josephine V. Matabuena
Vice Admiral Alexander P. Pama (Ret.)

As regular members of the Board

and

Gen. Eduardo SL. Oban, Jr. (Ret.)
Ms. Carolina G. Diangco
Mr. Federico Luis M. Escaler
Mr. Jose Manuel C. Razon

As Independent Directors

were duly nominated candidates for election as members of the Board of Directors of the **Corporation**, and further declared the nominations closed.

Thereafter, Director Matabuena moved that, since the nominated number of candidates was equal to the number of the members of the Board of Directors who will be elected, the Corporate Secretary cast all the votes in favor of the nominated candidates, and that they all be elected as members of the Board of Directors.

The motion having been duly seconded by Director Escaler and there being no objection made thereto, the Chairman directed the Corporate Secretary to cast all the votes in favor of the nominated candidates.

Upon the certification of the Corporate Secretary that all the votes have been casted in favor of the nominated candidates, the Chairman declared that the following stockholders were duly elected members of the Board of Directors of the **Corporation** who would serve for the period 2022-2023, or until their successors shall have been elected and qualified:

Atty. Jan Robert V. Beltejar
Atty. Jose Martin A. Loon
Atty. Kevin Paolo M. Hernandez
Atty. Agatha Josephine V. Matabuena
Vice Admiral Alexander P. Pama (Ret.)

as regular members of the Board

and

Gen. Eduardo SL. Oban, Jr. (Ret.)
Ms. Carolina G. Diangco
Mr. Federico Luis M. Escaler
Mr. Jose Manuel C. Razon

as Independent Directors

VIII. APPOINMENT OF EXTERNAL AUDITOR

The next item on the agenda is the confirmation of Punongbayan & Araullo as the External Auditor of the **Corporation** for 2023-2024. The Chairman inquired whether the officers and the Investment Manager of the **Corporation** were satisfied with the performance of Punongbayan & Araullo as its External Auditor. Atty. Beltejar, in his capacity as President of the **Corporation**, indicated that he was satisfied with the professional services rendered by Punongbayan & Araullo for the **Corporation**.

With the satisfactory performance of Punongbayan & Araullo as the External Auditor of the **Corporation,** upon motion duly made by President Beltejar, and seconded by Director Diangco, the Stockholders unanimously passed and approved the following resolution:

RESOLUTION

"RESOLVED, that the appointment of Punongbayan & Araullo as the External Auditor of the **Corporation** for another year be, and is hereby, approved."

IX. RENEWAL OF INVESTMENT MANAGEMENT AND DISTRIBUTION AGREEMENT WITH COCOLIFE ASSET MANAGEMENT

Director Alexander P. Pama moved for the renewal of the appointment of Cocolife Asset Management Company Inc. as Investment Manager and Distributor of the **Corporation.**

Discussions ensued and, thereafter, upon motion duly made by Director Loon, and duly seconded by Director Diangco, there being no objection made thereto, the stockholders unanimously passed and approved the following resolution:

RESOLUTION

"RESOLVED, that the renewal of the appointment of Cocolife Asset Management Company, Inc., as Investment Manager and Distributor of the **Corporation**, including the continuing validity and effectivity of the existing Management and Distribution Agreement executed by and between Cocolife Asset Management Company, Inc. and the **Corporation**, be, and are hereby, approved."

X. ADJOURNMENT

There being no other business to transact, Director Jose Manuel C. Razon moved that the Annual Stockholders' Meeting be adjourned.

The motion having been duly seconded by Director Hernandez, and there being no objections made thereto, the Chairman thereupon declared that the Annual Stockholders' Meeting of the **Corporation** was adjourned.

Attested by:

EDUARDO SL. OBAN, JR
Chairman

Certified Correct:

REX D. LAMPA
Corporate Secretary