# United Fund, Inc.

July 2026

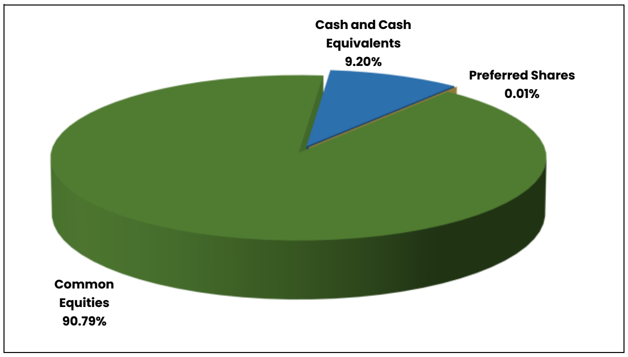
## Fund Objective

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 558.64 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 | 33.74% |
| Banks | 28.69% |
| Holding Firms | 15.85% |
| Transportation and Others | 5.56% |
| Telecommunications | 3.21% |
| Retail | 2.26% |
| Property | 1.48% |
| | 90.79% |

### TOP 10 EQUITY HOLDINGS

| Company | Sector | % of the Fund |
|---|---|---|
| Ayala Corporation | Holding Firms | 15.83% |
| First Gen Corporation | Electricity, Energy, Power & Water | 11.94% |
| Philippine National Bank | Banks | 11.76% |
| ACEN Corporation | Electricity, Energy, Power & Water | 11.12% |
| Manila Water Company, Inc. | Electricity, Energy, Power & Water | 10.69% |
| Bank of the Philippine Islands | Banks | 8.28% |
| Bloomberry Resorts Corporation | Services | 5.53% |
| BDO Unibank Inc. | Banks | 4.14% |
| Converge ICT Solutions, Inc. | Telecom | 3.18% |
| Metropolitan Bank & Trust Co. | Banks | 2.97% |

### Market Recap and Outlook

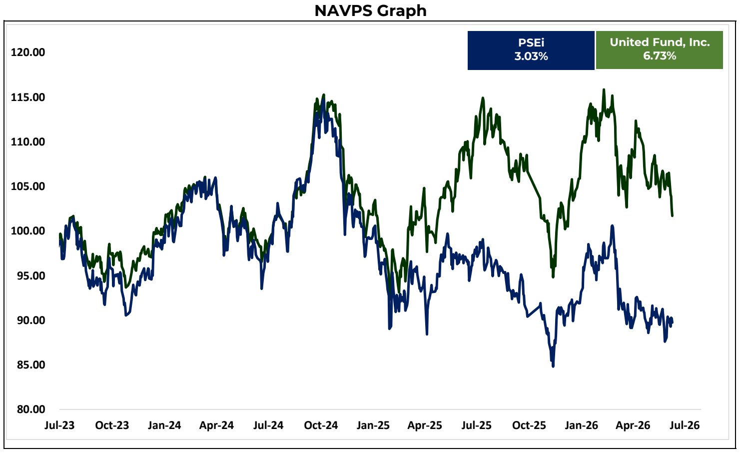
The Philippine Stock Exchange Index (PSEi) posted a strong performance during most of July before surrendering part of its gains in the latter half of the month, ultimately closing at 6,236.44, up 2.70% from its end-June level of 6,072.24 and recording a YTD gain of 3.03%. The index advanced steadily during the first three weeks of the month, briefly climbing above the 6,400 level, as improving investor sentiment, bargain hunting, and sustained foreign buying supported the market. However, the rally lost momentum toward month-end as profit-taking emerged and investors turned more cautious amid renewed global and domestic uncertainties. Despite the late-month pullback, the PSEi still recorded a positive monthly performance, reflecting the market's resilience amid a volatile external environment.

Domestic developments generally provided a supportive backdrop for the market throughout the month. Investor confidence was buoyed by the World Bank's upgrade of the Philippines to upper-middle-income-country status, easing inflation expectations, stronger manufacturing activity, and optimism that the BSP could adopt a less aggressive monetary policy stance in the succeeding months. Encouraging second-quarter corporate earnings also reinforced buying interest, particularly in fundamentally sound companies. Nevertheless, these positive catalysts were partly offset by concerns over the country's record-high government debt, the continued depreciation of the Philippine peso, and caution ahead of key domestic economic releases, prompting investors to lock in gains following the market's earlier rally.

On the external front, global developments remained the primary driver of market sentiment. Softer-than-expected US inflation data, expectations of a more accommodative US Federal Reserve, easing geopolitical risks early in the month, and positive cues from Wall Street and regional markets helped improve global risk appetite and supported Philippine equities. However, sentiment became more defensive as July progressed amid renewed tensions in the Middle East, higher global oil prices, concerns over US tariffs on Philippine exports, and uncertainty surrounding the Federal Reserve's policy decision. These external headwinds weighed on foreign investor sentiment and encouraged profit-taking, limiting the market's upside despite an otherwise favorable domestic backdrop.

Looking to August, the Philippine stock index is expected to trade between 6,100 and 6,400, with market sentiment largely driven by tensions in the Middle East and volatile global oil prices. Energy market swings will influence the local inflation outlook and peso stability, while second-quarter GDP and July inflation data will provide further direction for central bank policy. Investor activity may also be somewhat subdued during the Ghost Month, a period that is traditionally associated with more cautious market behavior and lighter trading volumes among some market participants. Although geopolitical risks and tight policy conditions continue to cap gains, solid corporate earnings in the banking and power sectors provide key support, keeping trading cautious and selective.

### NAVPS Graph




| June 30, 2026 NAVPS | Year-to-date Return |
|---|---|
| 3.5086 | 6.73% |

| | Compounded Annual Return | Cumulative Return |
|---|---|---|
| One-year | 2.27% | 2.27% |
| Three-year | 3.90% | 12.17% |
| Five-year | 3.32% | 17.72% |

* Figures of the funds' performance were based on the fund's actual returns as of June 30, 2026. Note, however, that historical performance is not a guarantee of future results.

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## The Philippine Economy at a Glance

| GROSS DOMESTIC PRODUCT | FOREIGN EXCHANGE | INFLATION RATE | UNEMPLOYMENT RATE | BSP POLICY RATES | CREDIT RATINGS |
|---|---|---|---|---|---|
| **2.80%**<br>1Q2026 | July 2026<br>**P61.36/$**<br>(0.20% stronger FTM)<br>(4.17% weaker YTD) | **6.2% (JULY 2026)**<br>**(based on 2018 prices)** | **4.8%**<br>**(MAY 2026)** | **5.25%** (lending rate)<br>**4.75%** (borrowing rate)<br>**4.25%** (overnight deposit) | **BBB+** (Standard and Poor's)<br>**BBB** (Fitch Ratings)<br>**Baa2** (Moody's Investor) |

## Macroeconomic Updates

**Inflation eases further in July.** Driven by lower fuel and transport costs alongside steady food prices, Philippine inflation slowed for a third straight month to 6.2% in July, pushing the year-to-date average to 5.0%. Although the rate still exceeds the government's 2%–4% target, officials credit fuel subsidies and supply-chain interventions for the continued deceleration and plan to focus on agricultural and energy stability moving forward.

**Unemployment edges up in May**. The Philippines' unemployment rate slightly increased to 4.8% in May 2026, driven primarily by severe weather and El Niño disruptions in the agriculture and forestry sectors. However, underemployment dropped sharply to 12.2%, signaling better job quality and overall labor resilience despite the weather-related setback.

**BSP maintains measured tightening stance.** The Bangko Sentral ng Pilipinas (BSP) maintained a measured policy stance, signaling that while further interest rate increases remain possible, a 25-basis-point hike is more likely than a larger 50-basis-point move. The guidance reflects the BSP's cautious approach as it continues to assess inflation, exchange rate developments, and global risks.

**Gross international reserves rise in June.** The Philippines' gross international reserves (GIR) increased to $104.7 billion as of end-June 2026 from $104.2 billion in May, driven by higher national government foreign currency deposits with the BSP and income from the central bank's overseas investments. The increase was partly offset by valuation losses on gold and foreign currency assets, as well as government debt servicing. The reserve level remained adequate to cover 6.8 months of imports of goods, services, and primary income and 3.7 times the country's short-term external debt based on residual maturity.

**FDI weakens in April**. Foreign direct investment net inflows to the Philippines plummeted 58.8% year-on-year to $250 million in April 2026, hitting a nearly decade-long monthly low due to steep drops in debt instrument investments and earnings reinvestment amid global trade and geopolitical uncertainties. Despite gains in net equity capital, this sharp monthly drop dragged cumulative FDI inflows down 26.5% to $1.97 billion for the first four months of the year.

**Balance of payments records strong June surplus.** The balance of payments (BOP) posted a $3.4-billion surplus in June 2026, the largest monthly surplus in nearly two years, up from $131 million in May. The stronger external position was primarily driven by foreign borrowings by the national government, lower global oil prices that reduced the country's import bill, and sustained inflows from overseas Filipino remittances, trade in services, and foreign direct investment. As a result, the cumulative BOP deficit narrowed to $3.9 billion in the first half of 2026 from $7.3 billion as of end-May, although the country's external position continued to be weighed down by the persistent trade deficit and net foreign portfolio investment outflows.

**Remittance growth slows in May.** Cash remittances from overseas Filipino workers (OFWs) increased 2.0% year-on-year to $2.71 billion in May 2026 from $2.66 billion a year earlier, marking the slowest annual growth in four years despite remaining on an upward trend. Although remittance growth remained resilient and continued to support household consumption and domestic demand, the slower pace reflected higher living costs abroad, softer global economic activity, and persistent geopolitical uncertainties.

**Hot money outflows persist in June**. Foreign portfolio investments, or hot money, posted a $170-million net inflow in June 2026, down nearly 27% from the previous month, as stronger inflows into government securities offset larger foreign selling of local equities. Net inflows into government securities rose to $540 million, while equity outflows widened to $370 million amid persistent global uncertainties and risk aversion. Despite the June inflow, hot money recorded a $4.0-billion net outflow in the first half of 2026, reversing the nearly $2.0-billion net inflow in the same period last year.

**Peso strengthens in July.** The Philippine peso closed at ₱61.24 per US dollar on July 31, strengthening from ₱61.36 at end-June as broad U.S. dollar weakness and improving global risk sentiment supported the local currency. Although the peso briefly fell to a record low of ₱61.85 per dollar during the month amid heightened Middle East tensions, higher oil prices, and expectations of further U.S. Federal Reserve tightening, it recovered in the latter half of July as geopolitical tensions eased, oil prices declined, and expectations of a less hawkish Fed weakened the US dollar.