

SECURITIES AND EXCHANGE COMMISSION

AMENDED SEC FORM 12-1 REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

1. **SEC Identification Number** CS201603378
2. **MBG EQUITY INVESTMENT FUND, INC.**
Exact name of registrant as specified in its charter
3. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization
4. **009-231-032-000**
BIR Tax Identification Number
5. **Open-end Investment Company**
General character of business of registrant
6. **Industry Classification Code:** (SEC Use Only)
7. **G/F 110 Legazpi Street, Legaspi Village, Makati City, 1229, Philippines**
Telephone Number: +63 2 8838 7822; Fax Number: +63 2 7956 7065
Address, including postal code, telephone number, FAX number including area code, of registrant's principal offices
8. **Not Applicable**
If registrant is not resident in the Philippines, or its principal business is outside the Philippines, state name and address including postal code, telephone number and FAX number, including area code, and email address of resident agent in the Philippines.
9. **December 31**
Fiscal Year Ending Date (Month and Day)

Current Securities Registered with the Commission

Title of each class of securities registered	Amount registered	Initial offering price per share	Initial aggregate offering price	Amount of registration fee paid
Common shares	4,401,600	Php 100.00 per share	Php 440,160,000.00	Php 440,160.00
			Add: Legal research fee	4,401.60
			Add: Filing Fee for the Amendment of Registration Statement	12,000.00
			Total	Php 456,561.60

AMENDED PROSPECTUS

MBG Equity Investment Fund, Inc. *(Open-end Investment Company)*

4,401,600 Shares **COMMON** **STOCK**

The number of securities to be offered is Four Million Four Hundred One Thousand Six Hundred (4,401,600) shares with par value of One peso (Php1.00) per share. The Share shall be offered for sale over the counter to the public at the current Net Asset Value per Share (“NAVPS”) plus any Sales Fees, if applicable. Additional information about the Fund has been filed with the SEC and is available upon request.

MBG INVESTMENT MANAGEMENT, INC.

*INVESTMENT MANAGER, PRINCIPAL DISTRIBUTOR AND
ADMINISTRATOR*

G/F 110 Legazpi Street, Legaspi Village, Makati City 1229 Philippines
Telephone Number: +63 2 8838 7822; Fax Number: +63 2 7956 7065

This Prospectus is dated

November 08, 2023

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

SHARES OF THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY FINANCIAL INSTITUTION, AND ARE NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION. SHARES OF THE FUND BEAR INVESTMENT RISK. PAST INVESTMENT PERFORMANCE IS NOT A GUARANTEE OF FUTURE RETURNS.

This prospectus sets forth concisely relevant information about the MBG Equity Investment Fund, Inc. that the investor must be aware of before investing. The investor should read this prospectus carefully and retain it for future reference.

Prospectus Summary

MBG Equity Investment Fund, Inc. *(A corporation organized under Philippine Laws)*

Brief Description of Business

The Fund is a Philippine Corporation registered as an open-end investment company under R.A. 2629 and R.A. 8799 on February 18, 2016 (SEC Registration No. CS201603378). The investment objective of the Fund, which is considered high risk, is to achieve long term capital growth through an actively managed portfolio of primarily Philippine listed equities. Open-end mutual fund companies in the Philippines are organized as stock corporations and are allowed to issue shares. The fund shall offer common shares.

Description and Amount of Securities Offered

This Prospectus relates to the offer of Four Million Four Hundred One Thousand Six Hundred (4,401,600) shares of the MBG Equity Investment Fund, Inc. (the "Fund") to be sold over-the-counter at the current Net Asset Value Per Share ("NAVPS"). The total number of shares outstanding after the offer, if all the Offer Shares were subscribed as of June 30, 2023, is 4,401,600 shares.

Total gross proceeds of the 4,401,600 Participation Shares are estimated at **PHP 371,318,976** as of **November 08, 2023**. Net proceeds after deducting all costs from the sale of securities shall be invested according to the investment objective of the Fund. Full details are given in the section on Use of Proceeds on page 25.

The Shares are being offered in the Philippines through MBG Investment Management, Inc. ("MBG IMI").

Financial Highlights

Summary of Financial Information In Philippine Pesos (PHP)

In PHP	As of June 30, 2023 (Unaudited)	As of December 31, 2022 (Audited)	As of December 31, 2021 (audited)	As of December 31, 2020 (audited)
Total Assets	129,602,760	117,216,897	154,844,550	160,049,787
Total Liabilities	2,513,844	1,996,309	854,463	1,658,972
Capital Stock	1,500,810	1,529,850	1,634,783	1,554,869
Additional Paid In Capital	155,811,893	158,143,969	165,944,447	157,941,231
Net Asset Value	127,088,883.64	115,220,588	153,990,087	158,390,815
Net Asset Value per share	84.68	75.26	94.196	101.87
Income	17,572,107	(23,467,025)	(4,082,296)	7,883,208
Expenses	3,348,225	7,391,317	8,399,226	7,280,269
Net income (loss) after tax	14,229,444	(30,864,088)	(12,483,858)	593,484

Dividend Policy

Each shareholder has a right to the dividends declared by the Fund. The Board of Directors of the Fund has the power to fix and determine the amount to be reserved or provided for declaration of payment of dividends from the Fund's unrestricted retained earnings. The basis of such dividends will depend on the Fund's profits,

cash flows, capital expenditure, financial condition, and other factors, and will follow SEC's guidelines on determining retained earnings available for dividend declaration. Under the Revised Corporation Code, Corporations with surplus profit in excess of 100% of its paid-in capital stock are required to declare dividends (cash or stock) and distribute it to its stockholders.

In line with the Fund's aim of achieving capital appreciation, a policy has been implemented to retain any excess profits in the retained earnings account. This accumulation is factored into the calculation of net asset value per share, and shareholders realize their gains upon redemption of their shares. The exception to this is to distribute 100% of the surplus profits in excess of the Fund's 100% paid-up capital, as cash dividends to shareholders.

The Fund has not declared any cash dividends in the last two (2) fiscal years. There are no restrictions on the ability to declare any dividends in the future. Cash dividends may be declared by the Board of Directors and no stockholder approval is required.

Risks of Investing

Prospective investors should carefully consider the matters addressed under "Risk Factors" before making an investment decision regarding the Offer Shares. Each of these matters could have adverse consequences to the Fund.

These risks include the following:

- Market Risk
- Liquidity Risk
- Inflation Risk
- Currency Risk
- Concentration Risk
- Manager Risk
- Taxation Risk
- Regulatory Risk
- Operational Risk
- Dilution Risk
- Digital Security Risk
- Non-Guarantee Risk

These risks may adversely affect the redemption value of the securities for shareholders, which may result in losses should shareholders redeem shares when the NAVPS of the Fund is below their acquisition cost, among others. A more comprehensive discussion of the risks can be found in "Risk Factors" on page 22.

The Fund shall not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own *offer* shares.

No dealer, selling agent or any other person has been authorized to give information or make any representation not contained in this Prospectus. This Prospectus does not constitute an offer to sell or a solicitation of an offer to sell or a solicitation of an *offer* to buy any securities in any jurisdiction or to any person to whom it is unlawful to make such an *offer* or solicitation in such jurisdiction. The delivery of this Prospectus at any time does not imply that the information herein contained is correct as of any time subsequent to this date. The information contained in this Prospectus has been supplied by the MBG EIFI unless otherwise stated. The MBG EIFI and its Fund Manager accept full responsibility for the accuracy of the information given herein and confirm that there are no omissions of fact that would make any statement in this Prospectus misleading.

Summary of Fees, Commissions, and Other Charges to be Paid by the Fund

Type of Fee	Rate/Percentage	Others
Incentive Fees	10% of gains above the High-Water Mark per share of the Fund plus VAT	Charged every December 31 when the NAV exceeds the High-Water Mark of the Fund. Fees shall be computed and deemed to accrue daily
Management fee	1.00% p.a. plus VAT	Based on the NAV of the Fund Fees shall be computed and deemed to accrue daily
Service Fee	1.00% p.a. plus VAT	Based on the NAV of the Fund Fees shall be computed and deemed to accrue daily Pertains to general clerical service provided by the Manager
Administration Fee	0.25% p.a plus VAT	Excludes the fees for independent NAV accountant
Transfer Agent Fees	Php 10,000 per month	Maintenance of records of the fund's securities
Independent NAV Accountant Fees	Php 25,000 per month plus VAT	Fund accounting services
Directors' Fee	Php 10,000 each per meeting	Director per diems
External Auditor Fee	Php 250,000 p.a plus VAT	Based on latest audit fee (2020)
Legal Retainer Fee	Php 10,000 plus VAT per month	Includes retainer fees and corporate secretary fees

*p.a.: per annum

Custody Services (Standard Chartered Bank)

Country of Investment	Portfolio Fee (p.a.)	Transaction Fee (per transaction, in PHP)	Minimum Fee per account per month (in PHP)
Bangladesh	0.14%	3,400	55,000
Pakistan	0.08%	2,300	55,000
Philippines	0.03%	275	55,000
Sri Lanka	0.125%	2,750	55,000
Vietnam	0.11%	1,750	55,000

Summary of Fees, Commissions and Other Charges to be paid by the Shareholders

Type of Fee	Rate/Percentage	Others
Sales Fee	1% plus VAT	<ul style="list-style-type: none"> Subject to a minimum of PHP 500
Early Redemption Fee	Nil - 5.00% plus VAT	Holding period: <ul style="list-style-type: none"> Up to one (1) year: 5% Beyond one (1) year: Nil
Digital Channel Fees		Will depend on agreements with Digital Channel Providers. May include processing fees, transaction/convenience fees, etc.
Documentary Stamp Tax		<ul style="list-style-type: none"> Two Philippine Pesos (Php2.00) for every Two Hundred Pesos (Php200.00) of par value for primary sales offerings One Philippine Peso and Fifty Centavos (Php 1.50) for every Two Hundred Pesos (Php200.00) of par value for secondary sales offerings.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

Evelyn R. Singson
Chairman

SUBSCRIBED AND SWORN TO BEFORE ME this ____ day of _____ in Makati City, affiant exhibiting to be his/her Passport Number P7094702A issued in May 10, 2018 at DFA NCR Central

Doc. No _____;
Page No. _____,
Book No. _____,
Series of _____.

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Principal Parties to the Offer

Registrant

MBG Equity Investment Fund, Inc.

G/F 110 Legazpi Street Legaspi Village, Makati City

Email: info@mbgfunds.com

Website: www.mbgfunds.com

Telephone No.: +63 2 7956 7254

Fax No.: +63 2 7956 7065

Investment Company Adviser, Administrator, and Distributor

MBG Investment Management, Inc.

G/F 110 Legazpi Street Legaspi Village, Makati City

Email: info@mbgfunds.com

Website: www.mbgfunds.com

Telephone No.: +63 2 7956 7254

Fax No.: +63 2 7956 7065

Custodian Bank

Standard Chartered Bank

8th Floor, 6788 Ayala Avenue Makati City

Telephone No.: +63 2 8878 2124

Stock Transfer Agent

MBG Investment Management, Inc.

G/F 110 Legazpi Street Legaspi Village, Makati City

Email: info@mbgfunds.com

Website: www.mbgfunds.com

Telephone No.: +63 2 7956 7254

Fax No.: +63 2 7956 7065

Legal Counsel

Mata-Perez, Tamayo & Francisco Attorneys-at-Law

Unit 15A ACT Tower, 135 H.V. Dela Costa St., Salcedo Village, Makati City

Telephone No.: +63 2 8808 5375

External Auditor

SyCip Gorres Velayo & Co.

6760 Ayala Avenue, Makati City, 1226

Telephone No.: +63 2 8891 0307

Independent NAV Accountant

IDEIN Services and Consulting, Inc.

Unit 1003, One Corporate Plaza, 845 A S Arnaiz Avenue, Makati City, Metro Manila

Telephone No.: +63 2 8816 2998

Glossary

The following words or expressions used in this Prospectus, unless the context otherwise requires, shall have the following corresponding meanings:

MBG IMI or Investment Manager or Fund Manager or Principal Distributor or Administrator	MBG Investment Management, Inc.
MBG EIFI or the Issuer or the Fund or the Registrant	MBG Equity Investment Fund, Inc.
AUM	Assets Under Management
BSP	Bangko Sentral ng Pilipinas
Business Day	A day wherein the Philippine Stock Exchange is open for business.
Commodities	Goods, wares, and any merchandise of any kind; articles of trade or commerce; or articles of merchandise movable in trade.
Custodian Bank	Standard Chartered Bank Philippines
Digital Channel	Applications or platforms (i.e. websites, mobile phone applications) whom the Principal Distributor enters into a partnership with, which allows investors to inquire their balance, and to make subscriptions/ redemptions to and from the Fund.
High Water Mark	The greater of (i) the subscription price of the relevant shares and (ii) the highest previous Net Asset Value of the shares at the end of any previous fiscal year.
Incentive Fee	Fee charged by the Fund Manager based on the fund's gains over the high-water mark
Independent NAV Accountant	Idein Services and Consulting, Inc.
Investment Application Form	The form to be used by the Principal Distributor and its sub-distributors for investors to purchase the shares of the Fund in accordance with the terms and conditions of the Fund as described in this Prospectus.
Investment Company	A company that is an issuer of securities and which company is or holds itself out as being engaged primarily or proposes to engage primarily in the business of investing, reinvesting, or trading in securities.
Investor	Any person, association, or corporation with the intention of investing in the shares of the Fund.
IRR	Implementing Rules and Regulations of the Investment Company Act
NAV	Net Asset Value
NAVPS	Net Asset Value per Share
Open-end Investment Company	An investment company, which is offering for sale or has outstanding any redeemable security of which it is the issuer.
PDIC	Philippine Deposit Insurance Corporation
Php or Pesos	Philippine Pesos, lawful currency of the Philippines
PSE	Philippine Stock Exchange
PSEi	Philippine Stock Exchange Composite Index
R.A. 2629	Republic Act No. 2629 or the Investment Company Act of 1960

R.A. 8799	The Securities Regulation Code
R.A. 9160	Anti-Money Laundering Act of 2001
R.A. 10168	Terrorism Financing Prevention and Suppression Act of 2012
R.A. 10173	Data Privacy Act of 2012
Redemption Fee	The fee, computed on investment cost that is charged stockholders for having their investments redeemed within specified retention periods.
Sales Fee	The fee, computed on investment cost that is charged stockholders for the purchase of the Fund's shares.
SEC	Securities and Exchange Commission
Shareholder or Stockholder	Any natural or juridical person who has subscribed to the shares of the Fund.
Stock Transfer Agent	MBG Investment Management, Inc.
VAT	Value Added Tax

Terms of the Offer

The Fund is offering 4,401,600 common stocks at offer price of the current NAVPS. The shares are being offered in the Philippines through MBG IMI.

Issuer	MBG Equity Investment Fund, Inc.
Type of Issue	Open-end Investment Company
Principal Distributor	MBG Investment Management, Inc.
Shares offered	4,401,600 common stock
Base Currency	Philippine Peso (PHP)
Notification Rights	Shareholders are entitled to be notified of any matters requiring their approval under the ICA-IRR, the Revised Corporation Code, as amended and such other applicable issuances of the SEC
Voting Rights	All shares issued by the Fund are common and voting, with voting rights equal to every other outstanding share of stock.
Eligible Investors	<p>The shares of the Fund may be purchased and held by any person of legal age or duly organized and existing corporations, partnerships, or corporate entities regardless of nationality. The Investor shall declare and warrant that there are no legal restrictions prohibiting the purchase of the shares applied for and that the Investor is otherwise eligible throughout the duration of the period that the Investor remains a shareholder of the Fund.</p> <p>Purchase of the shares of the Fund may be restricted by law in certain jurisdictions. Foreign investors interested in subscribing to the shares should get information on the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile and as to any relevant tax or foreign exchange control laws and regulations affecting them personally.</p>
Minimum Investment	The minimum investment amount of One Peso (PHP 1.00). Subsequent investment shall be for a minimum of One Peso (Php 1.00)
Offer Price	The daily subscription price shall be based on the NAVPS as of the close of the business day, if payment is made within the daily cut-off time, less any accrued but unpaid Incentive Fee and as adjusted in accordance with the Fund's accounting policies
Subscription Procedure	Subscriptions may be made in person at the Principal Distributor's offices and branches ("In-person Subscriptions") or online through its authorized "Digital Channels" ("Online Subscriptions"), with whom the Principal Distributor has a KYC reliance relationship.

For In-person Subscriptions, an Investment Application Form and signature cards must be submitted together with the appropriate payment. Once submitted, the Investment Application may not be cancelled in full or in part. The Principal Distributor may charge a sales load or processing fee of 1% of the subscription amount plus VAT, subject to a minimum Five hundred (PHP 500.00).

For Online Subscriptions, investors shall complete the respective Digital Channel's enrolment process and submit the required Know Your Customer ("KYC") identification information. Investors shall complete the necessary subscription forms online and signify their agreement to the Fund's terms and conditions, including satisfaction of its anti-money laundering policy. The Fund Manager is ultimately responsible for establishing and maintaining the appropriate systems, policies and procedures to ensure compliance with regulatory requirements for client assessment, including KYC info. For online subscriptions via digital channels, the Fund's authorized and licensed CIS is tasked with and responsible for ensuring that the online form for KYC complies with regulatory requirements and adequately assesses the client's suitability for the investment product being offered. The CIS will help establish and maintain appropriate systems and procedures to ensure that information collected through the online form is accurate, complete, up-to-date, and compliant with relevant laws and regulations.

Payments for Online Subscriptions may be made electronically through the Fund's accredited banks, Digital Channels or accredited third party payment platforms, and any processing fees charged by such intermediaries (e.g. transaction fees, convenience fees, etc.) shall be for the account of the investor.

Once accepted, subscriptions shall constitute an agreement between the Investor and the Fund, in the manner and subject to the conditions set forth in this Prospectus, the Investment Application Form and/or the Digital Channel.

For completed subscriptions before the business day cut-off time of 12:00 noon, the price at which the Fund's securities subscribed shall be the NAVPS computed at the end of the business day when such subscription is received. Subscriptions where payment is made in USD within the cut-off period shall still be priced at the NAVPs computed at the end of the business day (exchange rate will

	<p>be based on end of day rate published by the BSP).</p> <p>Should the completed subscription instruction be received after the said business day cut-off time, it shall be deemed to have been received on the next business day, and the applicable NAVPS to be used as basis for subscription shall be that which shall be computed at the end of the next business day when such subscription is deemed to have been received.</p>
<p>Requirements for Corporate Applicants</p>	<p>For investors other than individuals, the following documents, in addition to the Investment Application Form and the signature cards, must be accomplished and shall be considered integral parts thereof:</p> <ol style="list-style-type: none"> 1. Copy of the Investor's SEC Certificate of Registration, Articles of Incorporation and By-Laws; 2. Notarized corporate secretary's certificate setting forth the resolutions of the Investor's Board of Directors or equivalent body: <ol style="list-style-type: none"> a. Authorizing the purchase of a specified Peso amount worth of shares of the Fund; and b. Designating the signatories for the purpose. 3. Other documents that MBG IMI deems appropriate.
<p>Acceptance of Investment Applications</p>	<p>Applications for the number of shares and the applicable NAVPS are subject to acceptance and approval by the Principal Distributor. The Principal Distributor reserves the right to reject, scale-down and reallocate any application for the shares for whatever reason. Applications for which check payments are dishonored upon first presentment, as well as those which do not comply with the requirements set in this Prospectus and Investment Application Form, shall be rejected.</p> <p>The Principal Distributor shall inform the Investor of such reduction or rejection within three (3) business days after submission of the investment application.</p> <p>All investment applications shall be covered by the rules and regulations of the Anti-Money Laundering Act. The MBG EIFI likewise commits to comply with the same Act.</p> <p>To avoid any adverse effect to existing investors of large redemptions in the Fund, a subscription may be changed or rejected if it makes the investor a holder of 10% or more of the Fund's net assets on subscription date.</p>

<p>Payment Terms</p>	<p>Shares of the Fund are sold on a cash basis only and installment sales are expressly prohibited.</p> <p>Subscriptions shall be paid in full upon submission of a duly accomplished and executed Investment Application Form or completion of the Digital Channel's enrollment process. Payments must be made in Philippine Pesos or in US Dollars in the form of cash, direct deposit, or wire transfer. Other ecommerce payment methods including bank transfers, credit cards, mobile payments, E-wallets, among others from authorized providers will only be allowed for Online Subscriptions.</p> <p>Remittance charges, convenience fees, and other processing charges incidental to any investment shall be shouldered by the investor.</p> <p>In the case of payments for In-Person Subscriptions made by direct deposit to the Fund's bank account, a copy of the deposit slip together with the Investment Application Form shall be delivered to the Principal Distributor's office, initially by fax or email on the day of deposit, and eventually in hard and original copies. The duly validated bank deposit slip and the original of the New Investment Form will serve as the Investor's temporary record of payment. Upon acceptance of the Investment Application by the Principal Distributor, a Confirmation Receipt will be issued to confirm the purchase of the shares of the Fund and serve as the Investor's Official Receipt.</p> <p>Payments for Online Subscriptions shall be confirmed by the Digital Channel via email, SMS or other form of digital communication and shall indicate the corresponding shares purchased by the Investor, which shall serve as the Investor's Confirmation Receipt and Official Receipt.</p>
<p>Refunds</p>	<p>Refunds of payments for any rejected or scaled-down applications shall be made without interest by the Principal Distributor not later than seven (7) business days after submission. The respective Investor may either pick up the refund or have the same credited to his bank account, upon written instruction, with the same account name as his investment in MBG EIFI and provided that all credit and/or remittance charges shall be borne by the said Investor.</p>

Sales Fee/Sales Load	<p>The fee and applicable VAT computed on investment cost that is charged investors for the purchase of the Fund's shares. All sales fees and VAT on the sales fees shall be based on and charged on top of investment amounts unless otherwise specified by MBG IMI and provided that the minimum initial investment is met.</p> <p>The Principal Distributor may charge a sales load or processing fee of 1% of the subscription amount plus VAT, subject to a minimum Five hundred (PHP 500.00).</p>
Minimum Redemption Amount	<p>The minimum redemption amount is One Peso (PHP 1.00).</p> <p>If a redemption shall cause the value of the remaining shares of the investor fall below the minimum investment amount after such redemption, MBG IMI may, without notice, redeem all remaining shares and pay the proceeds to the investor. The Fund reserves the right to change the minimum maintaining balance from time to time as it deems necessary, subject to the approval of the SEC.</p>
Redemption Price	<p>The redemption price shall be based on the NAVPS less any accrued Incentive Fee and as adjusted in accordance with the Fund's accounting policies. The redemption price of securities surrendered for redemption within the daily cut-off time shall be computed at the end of the business day, while those surrendered after the daily cut-off time shall be deemed to have been received on the next business day and will be processed accordingly. Payment shall be made no later than seven (7) business days from receipt of redemption request.</p>
Redemption Process	<p>The holder of any shares of the Fund, upon presenting a redemption request to the Fund in its principal office, or to any of its duly authorized representatives, or through its Digital Channels, is entitled to receive by way of redemption approximately his proportionate share of the Fund's current net assets or the cash equivalent thereof, i.e. the redemption NAVPS, subject to the existing laws and By-laws of the Fund.</p> <p>A valid I.D. must be presented to claim the check proceeds of the redemption. Proceeds of redemption requests may either be picked up by the investor at the main office of the Fund or be credited to his bank account, upon written instruction, with the same account name as his investment in the Fund. The cost of remittance charges, if any, incurred in the process of paying redemption proceeds shall be for the account of the Investor and shall be deducted from the said</p>

	<p>proceeds.</p> <p>For redemption requests surrendered before the business day cut-off time of 12:00 noon, the price at which the Fund's securities may be redeemed shall be the redemption NAVPS computed at the end of the business day when such request for redemption is received. Should the request for redemption be received after the said business day cut-off time, it shall be deemed to have been received on the next business day, and the applicable redemption NAVPS to be used as basis for redemption shall be that which shall be computed at the end of the next business day when such request for redemption is deemed to have been received.</p> <p>The Fund shall compute and post its NAVPS on a daily basis in its online channels and shall publish such daily prices in at least two (2) newspapers of general circulation in the Philippines and post them daily in a conspicuous place or ensure they may be accessed online at the Fund's principal office as well as in all its branches or correspondent offices that are designated as redemption centers.</p> <p>Redemptions processed online through Digital Channels shall be subject to the Fund's cut-off times for processing such requests. Proceeds of online redemptions shall be credited to the investor's designated settlement bank account, e-wallet or other authorized electronic platforms. The cost of remittance charges, if any, incurred in the process of paying redemption proceeds shall be for the account of the Investor and shall be deducted from the said proceeds. Investors may also arrange to pick up redemption proceeds at the main office of the Fund or at any designated branches, correspondent offices or authorized third party redemption channels, subject to the investor's written instruction and presentation of a valid I.D.</p> <p>Payments for redeemed shares and units shall be made within seven (7) banking days from receipt of the request for redemption.</p> <p>However, the Commission motu proprio or, upon request of a Fund Manager, may suspend the redemption of securities of Investment Company if:</p> <ol style="list-style-type: none">1) The exchange, where eighty percent (80%) of the securities in the Investment Company's portfolio, is suspended;2) Eighty percent (80%) of the securities in the Investment Company's portfolio are not able to be liquidated or traded; <p>or Whenever necessary or appropriate in the public interest or for the protection of investors.</p>
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	<p>The Commission shall provide the period of suspension of redemption which shall not be more than twenty-one (21) business days, unless an extension is approved by the Commission En Banc.</p>						
<p>Holding Period/Redemption Fee</p>	<p>The holding period is used to determine the applicable redemption fee and is measured from the day of initial investment to the day of redemption of the shares by the Fund. As per company policy, there will be a minimum holding period of one (1) year for shares purchased.</p> <p>The redemption fee, plus applicable VAT, is computed on prevailing market value and is deducted from the redemption proceeds. The redemption fee is based on the following schedule:</p> <table border="1" data-bbox="833 747 1380 1024"> <thead> <tr> <th data-bbox="833 747 1076 837">Holding Period</th> <th data-bbox="1076 747 1380 837">Redemption Fee</th> </tr> </thead> <tbody> <tr> <td data-bbox="833 837 1076 928">Up to one (1) year</td> <td data-bbox="1076 837 1380 928">5%</td> </tr> <tr> <td data-bbox="833 928 1076 1024">Beyond one (1) year</td> <td data-bbox="1076 928 1380 1024">Nil</td> </tr> </tbody> </table>	Holding Period	Redemption Fee	Up to one (1) year	5%	Beyond one (1) year	Nil
Holding Period	Redemption Fee						
Up to one (1) year	5%						
Beyond one (1) year	Nil						
<p>Distribution via Digital Channels</p>	<p>The Principal Distributor may engage and utilize Digital Channels for the online distribution of the shares of the Fund. These Digital Channels will facilitate the investor’s online subscription, onboarding/KYC, payment, and redemption. Transactions will be processed online, and confirmations will be made digitally available through the platform.</p> <p>Investors should follow the policies and guidelines of the respective Digital Channel. For Online Subscriptions, these may include completing the selected channel’s enrolment process and submitting certain Know Your Customer (“KYC”) documents (in addition to the Fund’s subscription forms). For online payments, investors may transfer electronically to the Fund through the Digital Channel or accredited third party payment platforms. Any processing fees (i.e./e.g. convenience fees, etc.) charged by the selected channel shall be for the account of the investor.</p> <p>The Fund will adhere to all the policies of the Digital Channels. These may include, but are not limited, to the payment of certain fees to the digital platforms where its shares are distributed.</p>						

Cut-Off Time	Subscriptions and redemptions made after 12 o'clock noon on any business day will be processed at the NAVPS calculated for the next business day.
Restriction on Issue, Transfer, and Ownership of Shares	MBG IMI and its nominees shall not be allowed to purchase any securities other than the offer shares of the Fund.
Pre-Emptive Right	By law, investors in mutual funds waive their pre-emptive rights to shares offerings because mutual funds are offered on a continuing basis.
Issuance of Stock Certificate	Each stockholder of the fund is entitled to receive, upon formal request made, a stock certificate representing ownership of the shares of the Fund.

Summary of Fees, Commissions, and Other Charges to be Paid by the Fund

Type of Fee	Rate/Percentage	Others
Incentive Fees	10% of gains above the High-Water Mark per share of the Fund plus VAT	Charged every December 31 when the NAV exceeds the High-Water Mark of the Fund. Fees shall be computed and deemed to accrue daily
Management fee	1.00% p.a. plus VAT	Based on the NAV of the Fund Fees shall be computed and deemed to accrue daily
Service Fee	1.00% p.a. plus VAT	Based on the NAV of the Fund Fees shall be computed and deemed to accrue daily Pertains to general clerical service provided by the Manager
Administration Fee	0.25% p.a plus VAT	Excludes the fees for independent NAV accountant
Transfer Agent Fees	Php 10,000 per month	Maintenance of records of the fund's securities
Independent NAV Accountant Fees	Php 25,000 per month plus VAT	Fund accounting services
Directors' Fee	Php 10,000 each per meeting	Director per diems
External Auditor Fee	Php 250,000 p.a plus VAT	Based on latest audit fee (2020)
Legal Retainer Fee	Php 10,000 plus VAT per month	Includes retainer fees and corporate secretary fees

*p.a.: per annum

Custody Services (Standard Chartered Bank)

Country of Investment	Portfolio Fee (p.a.)	Transaction Fee (per transaction, in PHP)	Minimum Fee per account per month (in PHP)
Bangladesh	0.14%	3,400	55,000
Pakistan	0.08%	2,300	55,000
Philippines	0.03%	275	55,000
Sri Lanka	0.125%	2,750	55,000
Vietnam	0.11%	1,750	55,000

Summary of Fees, Commissions and Other Charges to be paid by the Shareholders

Type of Fee	Rate/Percentage	Others
Sales Fee	1% plus VAT	<ul style="list-style-type: none"> Subject to a minimum of PHP 500
Early Redemption Fee	Nil – 5.00% plus VAT	Holding period: <ul style="list-style-type: none"> Up to one (1) year: 5% Beyond one (1) year: Nil
Digital Channel Fees		Will depend on agreements with Digital Channel Providers. May include processing fees, transaction/convenience fees, etc.
Documentary Stamp Tax (DST)		<ul style="list-style-type: none"> Two Philippine Pesos (Php2.00) for every Two Hundred Pesos (Php200.00) of par value for primary sales offerings One Philippine Peso and Fifty Centavos (Php 1.50) for every Two Hundred Pesos (Php200.00) of par value for secondary sales offerings.

Risk Disclosure Statement

GENERAL RISK WARNING

- The prices of securities fluctuate and any individual security may experience upward or downward movement, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling instruments and securities.
- Past performance is not a guide or guarantee for similar future performance.
- There is an extra risk of losing money when instruments and securities are bought from smaller issuers with limited resources. There may be a big difference between the buying price and the selling price of these instruments and securities.
- An investor deals in a range of investments each of which may carry a different level of risk.

PRUDENCE REQUIRED

This risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He/she may request information on the securities and issuer thereof from the Commission which are available to the public.

PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities specially those high-risk securities.

Risk Factors

The Fund is exposed to a variety of risks. Although these risks are being managed by the Fund, its shareholders will ultimately bear the risks associated with the investment of the Fund.

Market Risk. The price of securities that the Fund will invest in will fluctuate daily. These fluctuations can be a result of a wide variety of reasons such as but not limited to changes in: 1) earnings prospects; 2) interest rates; 3) currencies; 4) senior management; 5) production processes; and 6) capitalization, market reach and coverage of the companies that the Fund invests in. All these price fluctuations of underlying securities will be reflected in the Net Asset Value Per Shares of the Fund. Past performance is not a guarantee of future performance.

To manage the risks to the Fund's investments arising from fluctuations in market value, the Fund relies on the Investment Manager, particularly on the latter's internal pool of seasoned fund management professionals, as well as on the risk-reducing portfolio strategy of diversification of investments. Active monitoring and analysis of the factors influencing the prices of underlying securities is also important to managing the said investment risks.

Liquidity Risk. There are two types of liquidity risk that the Fund may face. One is the possible absence of buyers for the equity investments that it wants to sell. To manage this risk, the Fund will invest in adequately liquid stocks and securities. The other type of risk is the potential absence of liquid funds with which to service redemptions. The Fund has submitted a liquidity contingency plan to the SEC to implement a decreased investment of less than 10% in liquid/ semi-liquid assets.

The Fund's liquidity contingency plan follows SEC Memo Circular No. 12, Series of 2013, which requires for liquidity purposes at least five percent (5%) of an open-end company fund be invested in liquid (cash) and/ semi-liquid assets (government securities). Should the portfolio manager see a potential liquidity crisis, the

manager will begin to increase the cash position of the portfolio based on the assessment of the situation. Moreover, the Fund has proactively established a dedicated Liquidity Crisis Team equipped with administrative procedures. The team is tasked with responding to and managing any emergent liquidity challenges, to ensure that the Fund remains robust and resilient in the face of market fluctuations and unforeseen circumstances.

Inflation Risk. Inflation is the average increase in the price level of goods and services. Due to rising inflation, there is a possibility that the increase in overall prices is higher than the returns of the Fund. To manage this risk, the Investment Manager needs to aim for a return on an inflation-adjusted basis.

Currency Risk. Volatility in exchange rates may increase the risk of the fund. If economic or political confidence in a country deteriorates, a depreciation in the currency of that country may have a significant effect in the weakening of that country's stock market prices. To manage this risk, the Fund's Investment Manager needs to regularly monitor global economic conditions, including political events, international trade and capital flows. These information will help the Investment Manager with its investment decisions about the said risk.

Concentration Risk. Concentration risk is the possibility of the Fund to have large exposure to a few investments or several correlated investments, such that the Fund will experience a big loss if these investments move together in an unfavorable direction. While it is the Fund's strategy to invest in a concentrated portfolio of businesses, it can manage this risk by making sure the investment's sectors are well diversified enough to minimize any impact of concentration risk.

Manager Risk. The performance of the Fund is dependent on the Investment Manager's skills. Investment decisions are made by the Investment Manager, who may make mistakes and cause the Fund to underperform against the market and other funds or to fail to meet its investment objectives. To manage this risk, the Fund will appoint MBG IMI as its Investment Manager, an experienced portfolio manager with a consistent track record.

Taxation Risk. Gains realized by investors upon redemption of shares in a mutual fund are not subject to personal income tax. However, the amount and nature of taxes imposed by regulators may change over time. To manage this risk, investors are advised to consult their own professional advisers regarding tax implications of subscribing and redeeming shares of the Fund.

Regulatory Risk. The Fund's operations are subject to regulations affecting a range of areas from the valuation of the Fund's in particular to income taxation in general. These regulations change and, when they do, can potentially produce a negative impact on the Fund's earnings and valuation. To manage this risk, the Fund and MBG IMI have tasked their respective compliance officers to closely monitor changes in regulation and to report to their respective Boards of Directors the impact of such changes and to recommend the necessary action plans.

Operational Risk. The Fund has a risk of loss, either monetary or reputational, due to failed or inadequate internal controls, process, personnel, and systems. To manage this risk, the Fund will ensure that its service providers have sufficient experience and that its internal controls and practices are consistent with firm-wide policies which support the management of this operational risk.

Moreover, the Fund will enter into partnerships with well-established third-party digital platforms, which may expose the Fund to operational risks beyond its direct control, such as system outages or disruptions. Technical glitches or operational errors in digital transactions may disrupt normal operations. Mitigation measures include technology risk assessments, maintaining backup systems, creating incident responses, contingency plans, staff training, developing Service-Level Agreements with partners, and performance monitoring.

Dilution Risk. As an open-end mutual fund, other investors may subscribe to any number of shares of the Fund. Thus, existing investors face the risk of dilution as more investors subscribe to the shares of the Fund and consequently, their influence over the control and management of the Fund decreases proportionately. To

manage this risk, the Fund may impose a single investor ownership limit, if necessary.

Digital Security Risk. Cybersecurity threats encompass a range of risks, including data breaches, hacking, and phishing attempts. These can result in unauthorized access to sensitive investor information and transaction security. To effectively manage the risks associated with digital channels and online transactions, the Fund will only partner with well-established and reputable third-party digital channels that meet stringent security and compliance standards, educate investors about online security practices, and implement incident response plans.

Non-Guarantee Risk. An investment in the Fund is neither insured nor guaranteed by the PDIC. Investors carry the risk of losing the value of their investment, without any guaranty in the form of insurance. Moreover, as with any investment, it is important to note that past performance of the Fund does not guarantee its future success.

The above risk factors are not exhaustive. New and/or unidentified risks may arise due to changing financial markets and economic conditions.

Risk Monitoring and Management

The Fund is in the business of accepting risks for an appropriate return that will meet its investment objectives. To achieve this, the Investment Manager is responsible for ensuring that all significant risks are appropriately identified, assessed, managed, reported and monitored. Risks must be understood, quantified, and managed before investment decisions are undertaken. Disciplined and prudent portfolio construction with diversification reduces the amount of risk to a portfolio, thereby achieving competitive risk adjusted returns.

As the Fund's Investment Manager, MBG IMI has a risk management manual that discusses how it manages the risks that may impact its business operations (i.e. strategic, reputational, compliance and legal, operational and business disruption risks) and the investment performance of all funds under its management (i.e. market, liquidity, credit risks). The manual includes policies and procedures that aim to: (1) identify and anticipate risks; (2) measure, monitor, analyze and report risks on a regular basis; (3) selectively accept, control, reduce, mitigate, counteract or avoid risks; and (4) review risk policies and strategies and audit the actual management of risks.

MBG IMI's risk strategies and policies are ultimately defined and reviewed by its Board of Directors (BOD), and are further elaborated by its Audit Committee (AuditCom) into key risk indicators (KRIs), tolerance ranges or thresholds for each KRI, and executable guidelines and recommended procedures. The Senior Management also takes an active role in shaping MBG IMI's risk strategies and policies and in evaluating the actual management of risks along with the Compliance unit. The Compliance Officer (CO) is primarily tasked with executing the risk management guidelines and procedures, and with ensuring that the risk management system operates smoothly and on a continuous basis. The CO shall be responsible for monitoring all KRIs relevant to the company. The CO shall report to the AuditCom and Risk Management Committee (RMC) and is also expected to work in conjunction with the President and Investment Committee (InvestCom) and all other relevant units.

MBG IMI is committed to a stringent risk management framework (RMF) where risk management is integral to the investment decision making process. Its RMF sets out the principles under which the risk management initiatives and processes are being carried out. The principles are as follows:

- As the main custodian of good corporate governance, the BOD has a pivotal role in ensuring a sound risk culture and environment in the company. Its duty is the mandate to "identify key risk areas and key performance indicators (KPIs) and monitor such factors with due diligence." In terms of its investment management activities, the risk areas and KPIs will be based on the size, complexity and relevant risks of the fund under management. For example, a bigger fund may require more KPIs, while a fixed income fund may take into account other risk factors such as credit risk, which is not as relevant for an equity fund.
- To carry out its risk management mandate, the BOD created the AuditCom to assist it in the management and control of risks inherent in MBG IMI's businesses. Among the duties of the

AuditCom are the provision of “oversight in managing credit, market, liquidity, operational, legal and other risks,” and the institution of “the appropriate framework to identify, manage, monitor and control risks associated with the activities of the company.”

- The Risk Management Committee (RMC) will be established as a dedicated platform for management to monitor and deliberate risk matters and it acts as a forum to enable to raise pertinent risk strategies and concerns to Management for deliberation and resolution where necessary. It is also responsible for developing, implementing and communicating across the company all risk management policies, procedures and practices that translate the BOD’s goals, objectives and risk tolerances into operating standards.
- The basic foundations of the RMF are (a) compliance with governmental regulations; (b) adherence to the company’s core values of integrity, responsibility, optimism, openness, and continuing formation; and (c) adoption of best industry practices.
- Risk policies and procedures will be developed by the RMC and, after approval by the AuditCom, implemented across the company.
- In consultation with the various operating entities, the RMC will identify the key risk areas in each business and, based upon policies and procedures formulated to manage those risk areas, develop and monitor key risk indicators (KRIs) taking into account risk tolerances as defined by the BOD.
- KRIs will be monitored regularly and reported to the Heads of each Department and the RMC. Risk policies and procedures will be subject to constant review and where appropriate, will be revised in order to ensure that those are fit for purpose given developments in business activities.

Policy on Conflict of Interest

MBG IMI and its employees are prohibited from engaging in fraudulent, deceptive, or manipulative conduct. The interests of the Fund are the paramount concern of the Fund Manager and of its employees. It must not conflict with or appear to have a conflict with those of the Fund and its stakeholders. Where such a situation may arise, MBG IMI and its employees will ensure that all stakeholders are treated fairly, and that their actions will be done in the best interest of each stakeholder. Reasonable steps will be taken in order to identify and disclose existing as well as potential material conflicts of interest. MBG IMI must respond to such conflicts by avoiding or otherwise controlling the conflict and disclose such conflict to the Fund.

The Employee is expected to recognize and avoid conflicts of interest at all times. To prevent conflicts To prevent conflicts of interest with Clients, the Employee should:

- Never put himself in a position in which personal interests, financial or otherwise, might influence or give the appearance of influencing any actions taken, judgment made or advice given on behalf of MBG Group;
- Ensure that the Clients’ interests are given priority when assessing the appropriateness of giving advice to that Client, or understanding a transaction on his or her behalf;
- Ensure that all actions are geared towards the best interest of a Client.

MBG Group seeks to avoid conflict of interest arising from its activities. However, where conflicts do arise, MBG tries to manage those conflicts to ensure fair treatment to all its Clients. This can be done by:

- Disclosing the conflict to the Commission in the form and manner prescribed under the ICA-IRR and such other applicable issuances by the SEC,
- Following the guidelines on confidentiality of information,
- Declining to act, or
- Taking some other action appropriate to the circumstances.

Use of Proceeds

Proceeds from sale of the Offer Shares shall be invested according to the investment objective of the Fund.

The investment objective of the Fund, which is considered to be high risk, is to achieve long term capital growth through an actively managed portfolio consisting primarily of Philippine-listed equities.

For liquidity purposes and as may be called for by investment strategies from time to time, the Fund may invest in short-term fixed income instruments, time deposits and other money market instruments, Treasury Bills and other government securities, debt papers of domestic private corporations, or hold cash.

The Fund's Investment Manager (MBG IMI) shall be guided by the Fund's Investment Policies and legal limitations. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation shall be held by custodian banks.

The Fund shall not make loans to other interested persons such as members of its BOD, officers of the Fund, and any of its affiliates/affiliated corporations. It does not have a material existing debt; thus, proceeds shall not be utilized to settle any existing indebtedness of obligation. No material amount of the proceeds shall be used to acquire real assets or finance the acquisition of other businesses.

Expenses charged to the Fund include, but are not limited to, remuneration of the members of the BOD who are not officers and/or employees of MBG EIFI and MBG IMI, transfer agent fees, management and distribution fees, incentive fee, independent NAV accountant fees, external auditor fee, legal retainer fee, service fee, and admin fees based on the average net asset value of the fund.

MBG IMI shall shoulder the expenses incurred in the registration and offering of shares. The proceeds from sale of the Offer Shares will not be used to reimburse any officer, director, employee, or shareholder for services rendered, assets previously transferred, money loaned, advanced or otherwise.

There are no named experts and independent counsel who have direct or indirect interest in the Fund in excess of Five Hundred Thousand Pesos (Php500,000.00).

Neither the Fund nor any of its subsidiaries/affiliates are the subject of any material pending legal proceedings.

Determination of Offering Price

The offer price will be the NAVPS at the end of the day. NAVPS is computed by dividing net asset value (Total Assets less Total Liabilities) by the total number of shares issued and outstanding, as of the end of the reporting day.

Completed subscriptions received by MBG IMI or its authorized distributors within the cut-off time will be processed at the NAVPS determined by MBG IMI at the close of business that day. If received beyond the cut-off time, subscriptions will be processed at the NAVPS calculated at the next business day.

The business day cut-off time for the reckoning of the date of submission of the subscription application shall be 12:00 noon. If the application is received on or before the said cut-off time, the shares shall be valued based on the subscription price computed at the end of the same business day. For applications received after the cut-off time, they shall be deemed to have been received on the next business day. In both instances, an applicable sales fee and VAT on the sales fee shall be charged on top of the investment amount.

The NAVPS of the Fund will fluctuate with changes in the market value of its investment. Such changes in market value and offering price may occur due to material changes in the fund, and changes in macroeconomic conditions.

Net Asset Value (NAV) Calculation

The net asset value of the Fund shall be calculated by adding:

- Aggregate market value of the portfolio securities and other assets
- Cash on hand
- Accrued dividends
- Accrued interest on securities

And subtracting:

- Taxes and other charges against the fund not previously deducted
- Liabilities
- Accrued expenses and fees
- Cash held for distribution to investors of the fund on a prior date

Publication of Net Asset Value per Shares (NAVPS)

IDEIN Services and Consulting, Inc. shall compute and publish the NAVPS daily. The Fund shall publish such prices in at least two (2) newspapers of general circulation in the Philippines, upload in its industry association website, and post them daily in a conspicuous place at the principal office of the Fund as well as in all branches, which are designated redemption centers.

Plan of Distribution

The Fund does not have any underwriter and has not entered into any underwriting agreement. There are no shares designated to specified persons. There is no plan to apply for listing in any exchange the shares of the Registrant. None of the Registrant's shares are to be allocated to an exchange and/or to its members.

The Fund shall continuously distribute its shares through its Principal Distributor (MBG IMI), eligible sales agents and employees who are Certified Investment Solicitors, select Mutual Fund Sub-Distributors licensed by the SEC that have entered into distribution agreement to sell shares with the Fund or Principal Distributor.

Distribution via authorized digital online/channels/platforms forms part of the Fund's future plans. As of date of this Prospectus, the Fund has not yet engaged any digital/online channels for distribution. The Fund shall report to the SEC future engagements with any digital/online channels via a current report and submit a copy of the agreements. The prospectus shall also be amended accordingly.

The Principal Distributor may utilize various media channels for promotional purposes. Possible promotional tools include advertisements in newspapers and in the Principal Distributor's website, press releases, email announcements and marketing events.

In the process of distributing the shares of the Fund, the Principal Distributor shall may charge a sales load or processing fee of 1% of the subscription amount, but subject to a minimum Five hundred (PHP 500.00) plus VAT.

The compensation earned by the Principal Distributor shall be used to cover the costs such as, but not limited to, commission and other fees payable to dealers and other selling personnel, costs of establishment and maintenance of sales office, transportation, and communication charges. Compensation received by the Principal Distributor does not include redemption fees which may be charged directly to the investor. The Principal Distributor, in its sole discretion, may waive all or part of its fees or compensation for any investor or subscription amount or distribution channel.

Any order for shares may be rejected by MBG IMI. The SEC, the Fund, or MBG IMI may suspend the continuous offering of shares to the general public at any time in response to conditions in the securities

markets or otherwise and may thereafter resume such offerings from time to time. Neither MBG IMI nor the eligible agents are permitted to withhold placing orders to benefit themselves from a price change.

MBG IMI, as the Fund's Principal Distributor will be in-charge of monitoring the Fund's distribution in all its accredited channels and sub-distributors. This includes monitoring of their compliance with the Investment Company Act and its implementing rules and regulations.

The Fund stands ready to redeem the shareholdings of any investor at the applicable redemption NAVPS.

The Fund does not expect to hire employees within the next 12 months as all its operations are performed by MBG IMI (and other service providers).

Apart from the Fund appointing MBG IMI as its investment company adviser, principal distributor and fund administrator, MBG EIFI has no other transactions with and/or dependence on related parties. Being an open-end investment company, shares of the Fund may be bought and requested for redemption through MBG IMI. The Fund does not need any government approval for the offer of its shares to the public other than the approval of its secondary license with the SEC. There are likewise no environmental laws that the Fund needs to directly or indirectly comply with.

Custodian of Portfolio Securities

The assets of the Fund will be held in the custody of Standard Chartered Bank, Makati Branch, with principal address at 8th floor Sky Plaza Building 6788 Ayala Ave., Makati City, Philippines, is the Custodian Bank of the Fund. The Custodian Bank Agreement establishes the partnership between the Fund, the MBG IMI and the Custodian Bank. It covers the Custodian Bank's duties on receipt of investments, redemption procedures to be used, reports and records to be accomplished by the custodian bank, procedures governing the transfer of MBG EIFI's shares and accounts of investors, custody of certificates representing investments made by the fund manager for the Fund and fees of the Custodian Bank.

The Custodian Bank charges a portfolio fee:

Country of Investment	Portfolio Fee (bps p.a)	Transaction Fee (in PHP per transaction)	Min. Fee per account per month
Bangladesh	14.00	PHP 3,400	*
Pakistan	8.00	PHP 2,300	*
Philippines	3.00	PHP 275	*
Sri Lanka	12.50	PHP 2,750	*
Vietnam	11.00	PHP 1,750	*

*Minimum fee will be PHP 55,000 per custody account;

1. The Portfolio Fee is charged on a monthly basis; such fee is calculated by taking the market value of the securities on the last business day of the month multiplied by the Portfolio Fee basis points per annum divided by 12 months. Transactions Fees are charged per transaction instruction.
2. All third-party expenses incurred by the Custodian Bank in the performance of its duties including but not limited to sub-custodian fees, depository charges, security pricing fees, stamp duties, registration fees, professional, mailing, communication costs, insurance costs, third party audit fees, etc. under the

- Custodian Agreement with MBG EIFI shall be for the account of the Fund.
3. Transaction Fees are charged per transaction instruction.

All fees shall be accrued daily and are payable monthly.

Independent NAV Accountant

MBG IMI appoints Idein Services and Consulting, Inc. (IDEIN) as its Independent Fund Accounting Services Agent and Independent NAV Calculator to perform daily functions in connection with the Fund and calculation of its NAV. IDEIN shall provide accounting services necessary for the operation of the Funds Managed by MBG IMI. In consideration of the services performed by the Independent NAV Accountant, a monthly fee of Php 25,000 exclusive of VAT shall be charged to the Fund.

Established in 2015, Idein Services and Consulting is a leading and respected consulting, business solutions and services provider in the Philippines. Their services include outsourcing services (payroll services, accounting, bookkeeping, tax consulting services), financial assistance (financial systems set-up and systems implementation support) and management consulting (general management consulting in the form of HR, marketing and finance).

Independent Oversight Entity

The Investment Company's Audit Committee functions as the Independent Oversight Committee (IOE) of the Fund Manager. It serves as an impartial committee tasked with monitoring the transactions and functions carried out by the Fund Manager. The Audit Committee is composed of three (3) non-executive directors, two of which are Independent, including the Chairperson. The members of the Audit Committee do not hold interlocking directorships in entities involved in the operation of the Investment Company, such as the Fund Manager, Fund Distributor, Fund Advisor, Transfer Agent and Custodian.

Investment Company Adviser

MBG IMI is an Investment Company Adviser incorporated on August 17, 2017. Its primary purpose is to manage, provide, and render management, and technical advice and other services (including transfer agency and distribution services) for investment companies, corporations, natural persons, and other entities, and in pursuant thereof, as far as may be permitted by law, to purchase, subscribe for, or otherwise acquire, mortgage, sell or otherwise dispose of and deal in any securities of every kind and description, including but not limited to stocks, bonds, notes, commercial papers, and to promote, manage, and transfer the same to the extent allowed by law; provided, that it may not engage in the stock brokerage business.

MBG IMI is a licensed Investment Company Adviser and hold a current license from SEC (CR No. 01-2017-00284).

There is no arrangement whereby MBG IMI has the right to designate or nominate a member of the BOD of the Fund.

There is no share designated to be sold to specified persons. No share is to be designated to an exchange and/or its members, or by an exchange to its members.

MBG IMI's registered office is at Ground Floor 110 Legazpi Street Legaspi Village Makati City.

The services provided by MBG IMI are under the supervision of its officers and directors. Some services include:

- Marketing of the Fund
- Monitoring of investments
- Investor communications (maintenance of portal, preparation and sending of reports)
- Independent NAV accounting
- Share record-keeping
- Other administrative and clerical services

The Fund will pay the Investment Adviser as per the Management, Distribution and Administration Agreement executed on May 24, 2023, as compensation for the management services, as well as other services provided by MBG IMI, an annual fee of 1.00% of the net asset value of the Fund plus VAT and a service fee of 1.00% of the net asset value of the Fund plus VAT, respectively. MBG IMI shall likewise be paid an Administration Fee equivalent to 0.25% per annum of the net asset value of the Fund plus VAT, and an annual incentive fee of ten (10%) of gains above the High Water Mark per share of the Fund plus VAT.

The Fund shall be responsible for its own operating expenses. MBG IMI may reduce its fees and/or pay expenses to reduce the Fund’s aggregate annual operating expenses. This arrangement may be revised or discontinued by MBG IMI at any time.

As the Investment Company Adviser, MBG IMI is also responsible for execution of the Fund’s portfolio transactions as well as the allocation of brokerage commissions. MBG IMI makes the investment decisions, prepares and creates research, and invests with respect to the purchase and sale of securities on behalf of the Fund, including selection of brokers and dealers to carry out the transactions, all in accordance with the Fund’s investment objectives and policies. MBG IMI maintains records and prepares all required reports.

The current officers and directors of MBG IMI, are the following:

Name	Position
Michael Jack B. Garcia	Chairman of the Board
Joseph Alvin C. Tan	President
Jose Ramon R. Garcia	Treasurer
Godofredo Abdullah R. Aquino	Independent Director
Sebastian Arsenio R. Lacson	Independent Director
Dennie T. Daniolco	Compliance Officer
Gerardo Maximo V. Francisco	Corporate Secretary

See “Directors and Officers of the Fund” for qualifications of the above-mentioned officers and directors.

Incorporators

The following were the incorporators of the Fund: Michael Jack B. Garcia, Gerardo C. Garcia, Ramon C. Garcia, Obed Nehemiah D. Pantoja, Ma. Angeles R. Garcia.

Transfer Agent

MBG Investment Management, Inc. serves as the Fund’s Transfer Agent. Transfer Agency services include maintenance of registry books of the fund, preparation of reports and disclosures pertaining to the Fund’s shares, preparation of list of stockholders.

In consideration of the services rendered by the Transfer Agent, the fund pays a monthly retainer fee of Php 10,000 for the first 5,000 stockholders and Php 2 per stockholder in excess of 5,000 stockholders. The Fund will also pay the Transfer Agent for any stock certificates issued, and for the performance of any special non-recurring functions.

External Auditor

SyCip Gorres Velayo & Company is the Fund's external auditor. Audit services include audit of financial statements submitted to the SEC and BIR. There is no monthly retainer fee, just an annual fee, which for the calendar year 2022 is estimated to be at PHP250,000.00, exclusive of VAT. Annual audit fee to be determined is based on business volume of the year under examination.

SyCip Gorres Velayo & Company is a Philippine multidisciplinary professional services firm in 1946. It is the leading and largest professional services firm in the Philippines that provides assurance, consulting, tax, strategy and transactions services.

Legal Counsel

Mata-Perez Tamayo and Francisco Attorneys at Law serve as the Fund's legal counsel. There is no expert or independent counsel hired on a contingent basis. The retainer fee is Ten Thousand Pesos (PHP10,000.00) per month plus applicable VAT.

Mata-Perez Tamayo and Francisco (MTF Counsel) is a full-service Philippine law firm established in 2013. The firm is composed of seasoned legal counsel in the fields of corporate, transaction, international and domestic tax, trade and customs, labor, immigration and litigation law, advising a whole range of multinational and domestic companies, as well as high net-worth individuals.

Rights of the Shareholders in case of Dissolution of the Investment Company and the Dissolution Plan

The Fund may be dissolved by a majority vote of the Board of Directors, and by a resolution duly adopted by the affirmative vote of the investors owning at least two-thirds ($\frac{2}{3}$) of the outstanding capital stock of the Fund. Investors shall continue to possess all existing rights as shareholders of the Fund.

The Fund Manager shall carry out the liquidation of assets on behalf of the Investment Company. The Investment Company, or the Fund Manager, shall inform the Commission of the status of the redemption of securities every 30th of January until all the shares have been fully redeemed. The fund manager will liquidate the assets within a maximum period of six (6) months from the receipt of the investment company of the Order revoking the Registration Statement and its Certificate, during which time the Fund will no longer accept any subscriptions and will only accept redemptions based on the prevailing NAVPS.

The stockholders shall have the following rights provided for in the event of dissolution:

- 1) Inspect the corporate books and financial records.
- 2) Share in the remaining assets after all the Fund's creditors are duly paid.

Procedure:

1. **Notification of the Investors.** All investors of the Fund will be notified of the decision to dissolve the fund and the reasons for the same.
2. **Appointment of a Liquidator:** The Board of Directors of the Fund will appoint a qualified liquidator, who will be responsible for the orderly liquidation of the assets of the fund and distribution of proceeds to the investors.
3. **Liquidation of Assets:** The liquidator will be responsible for the orderly sale of all assets of the fund in a manner.

4. **Distribution of Proceeds:** The proceeds from the liquidation of assets will be distributed to the investors in proportion to their respective shares in the fund.
5. **Termination of the Fund:** After the distribution of proceeds to the investors, the fund will be terminated and its registration with the Securities and Exchange Commission will be canceled.
6. **Filing of Required Reports:** All reportorial requirements will be filed with the Securities and Exchange Commission and other regulatory agencies.

In the event of liquidation of the assets of the investment company due to its failure to hire a new fund manager, or concurrent dissolution of the fund manager with the investment company, the following will be complied with:

(i) The fund manager will appoint a liquidator that will assume its obligation to liquidate of assets on behalf of the investment company, within a maximum period of six (6) months from the receipt of the investment company of the Order revoking the Registration Statement and its Certificate, if the fund manager cannot liquidate the assets of the investment company prior to the fund manager's dissolution. In such case, an Affidavit and Undertaking of the liquidator will be submitted to the Commission;

(ii) The unclaimed assets of the investment company from the date of dissolution of the fund manager shall be placed by the liquidator in an escrow account for ten (10) years or such period until all investors have claimed their investments, whichever is sooner, after which the funds shall be escheated in favor of the government in accordance with the procedure prescribed by existing laws and rules. A copy of the Escrow Agreement will be submitted within ten (10) days from execution; and

(iii) The fund manager will appoint a director, officer, majority stockholder or liquidator to assume its obligation in relation to the reportorial requirements under Rule 13.1.8 for the redemption of securities of the Investment Company. In such case, an Affidavit and Undertaking of the director, officer, majority stockholder or liquidator will be submitted to the Commission.

Investor Complaint Handling

Customer complaints may be received from various channels such as telephone, emails, and social media. In case of any complaints, investors may contact:

MBG Investment Management, Inc. (MBG IMI) Ground Floor 110 Legazpi Street, Legaspi Village Makati City, Email: info@mbgfunds.com Website: www.mbgfunds.com Telephone No: +63 2 7956 7254

Once a complaint has been sent, a company representative will reply to your complaint sent by email within 24 hours upon receipt. The Risk management and Compliance Unit of the firm shall log the complaint in a database and will periodically check with the representative to monitor the complaint until the problem is resolved. All complaints shall be addressed in a timely manner, and will be resolved within a period not exceeding thirty (30) calendar days from the initial submission of the complaint to resolve the matter.

Description of Securities to be Registered

The MBG Equity Investment Fund, Inc. (the "MBG EIFI" or the "Fund") was organized as a stock corporation on February 18, 2016 under SEC Registration No. CS201603378. It is a diversified, open-end investment company. The Fund was issued its certificate of permit to offer securities for sale on February 2, 2017. The Fund is offering for sale Four Million Four Hundred One Thousand Six Hundred (4,401,600) common shares of stock, with a par value of Php1 per share, inclusive of those already subscribed for during the Fund's registration. Assuming the application of the NAVPS as of August 31, 2016, the total offering amounts to Four Hundred Forty Million One Hundred Ninety-Three Thousand Twelve Pesos (Php440,193,012). Each share of stock of the Fund is common and voting stock with voting rights equal to one vote per share and equal to every other outstanding share of stock, and subject to the following:

1. Notification Rights

Shareholders are entitled to be notified of any matters requiring their approval under the ICA-IRR and the Revised Corporation

2. Right of Redemption

The holder of any shares of the Fund, upon presentation to the Fund or to any of the Fund's duly authorized representatives, of the confirmation receipt or certificate of participation, and upon the filing of the duly accomplished redemption form, have the right to receive by way of redemption approximately his proportionate shares in the Fund's prevailing net assets or the cash equivalent thereof at the time of filing of the redemption request (i.e., the net current asset value per share, subject to existing laws and the By-Laws of the Fund). A redemption request, once made, will be irrevocable and may not be withdrawn without the consent of the Investment Manager. The Fund shall establish a network of redemption centers acceptable to the Commission, starting with the Fund's office at the G/F 110 Legazpi Street, Legaspi Village, Makati City 1229. However, in accordance with the Investment Company Act Implementing Rules and Regulations Rule 10.4, the SEC may, whenever necessary or appropriate in the public interest or for the protection of investors, suspend the redemption of shares of the Fund.

3. Right of Accumulation

The investments of each shareholder shall be totaled in determining the appropriate sales fee and redemption fee to be applied to his subsequent investment and redemption, respectively. For this purpose, in-trust-for accounts shall be considered as part of the total investments in the Fund of an investor/trustor.

4. Distribution of Dividends

Each shareholder has a right to any dividends declared by the Fund. There are no current or future restrictions that would limit the ability to pay such dividends on the Fund's common equity.

5. Dissolution rights

Upon dissolution of the Fund, the Fund shall payout the applicable redemption price to its Shareholders under a distribution process to be determined by the Board of Directors of the Fund. The Fund shall submit a Redemption Plan to the Commission prior to its dissolution.

6. Restrictions on Transfer

No transfer of the Fund's shares, which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations, shall be caused, or allowed to be recorded in the books of the Fund. The shareholders who provided the initial capital of the Fund shall not be allowed to sell, transfer, convey, encumber, or otherwise dispose of their shares within twelve (12) months from the approval of the secondary registration of the Fund's shares.

7. Modification of Rights of Shareholders

The rights of Shareholders of the Fund shall not be modified except by amendment of the Fund's Registration Statement or Subscription/Redemption Agreement.

Other than the above and those provided by law, there are no other material rights accorded to the shareholders. Moreover, there are no provisions in the Fund's Articles of Incorporation or By-Laws that would delay, defer, or prevent a change in control of the Fund.

The Fund is not under any bankruptcy, receivership, or similar proceedings.

There are no material reclassifications, mergers, consolidations, or purchases or sales of a significant amount of the assets of the Fund (not in the ordinary course of business).

Interest of Names Experts and Independent Counsel

There are neither named Experts nor Independent Counsels who have direct or indirect interest in the MBG EIFI exceeding the amount of Five Hundred Thousand Pesos (Php500,000.00).

Information with Respect to the Registrant

Description of Business

The Fund

The MBG Equity Investment Fund, Inc. (the “MBG EIFI” or the “Fund”) was organized as a stock corporation on February 18, 2016 under SEC Registration No. CS201603378. It is a diversified, open-end investment company. The Fund was issued its certificate of permit to offer securities for sale on February 2, 2017. The Fund is offering for sale Four Million Four Hundred One Thousand Six Hundred (4,401,600) common shares of stock, with a par value of Php1 per share, inclusive of those already subscribed for during the Fund’s registration. The Fund had a subscribed and paid-in capital of One Hundred Ten Million Forty Thousand Pesos (Php110,040,000.00) at incorporation. Pursuant to Article IV, Section 4.4 of the SEC’s rules and regulations governing R.A. 2629, the incorporators of the Fund agreed not to sell, transfer, convey, encumber, or otherwise dispose of their shares in the Fund within a twelve-month (12) lock up period from the registration date of the Fund. Being an open-end investment company, the Fund stands ready to buy back its shares from the investing public subject to the provisions of this Prospectus. The shares of the Fund are not traded on any public trading market or exchange.

The Fund shall endeavor to give investors the opportunity to enjoy capital appreciation by giving them access to the buoyant local equity market. In this regard, the Fund, through MBG IMI, shall distribute its shares through Certified Investment Solicitors and through the Investment Manager’s online investor portal.

The Fund does not expect to sell or distribute its shares in foreign markets. Moreover, majority of its investments shall be in securities issued by companies based or doing business in the Philippines.

The Fund does not have any patent, trademark, copyright, franchise, concession, and royalty agreement.

Distribution

A detailed discussion of the Fund’s distribution methods, please refer to the section on “Plan of Distribution” on page 27.

Major Customers

The Fund has one (1) customer that accounts for at least 20% ownership in the Fund. The loss of which could result in a material adverse effect on the Fund. More details can be found on page 41. There are no major existing sales contracts.

Summary Of Principal Agreements and Certain Relationships and Related Party Transactions

The Fund has the following principal agreements related to its business: Management, Distribution and Administration Agreement, Custody Agreement, Fund Accounting Services Agreement, Transfer Agent Agreement, External Auditor Agreement, and Legal Counsel Agreement. The details of these agreements can be found on page 62.

Competition

The Philippine mutual fund industry is a fast-growing industry, which as of December 2022 had sixty-nine (69) active funds subdivided into Stock/Equity Funds, Balanced Funds, Bonds Funds (Peso and Foreign Denominated) and Money Market Funds. The industry has a combined asset under management of approximately PHP 284 billion based on information disclosed by the Philippine Investment Funds Association. In 1991, there were only two (2) mutual funds and approximately PHP 108 million in combined net assets.

Competition is present throughout the Philippines and is dominated by subsidiaries of banks and life insurance companies. As of December 2022, the combined size of the MBG EIFI's direct competition of equity mutual funds is estimated at PHP 69 billion.

The principal methods for competition are investment performance followed by risk exposure. The Fund will differentiate itself among competitors by investing in a concentrated portfolio of leading businesses, that the Manager believes are best positioned to create value by utilizing a fundamental, bottom-up stock selection approach for long-term growth. The Investment Manager will construct a diversified portfolio of securities that meet the Fund's investment criteria. MBG EIFI aims to provide investors effective diversification, competitive returns, and excellent service.

Company	Net AUM (in millions)		Attribution of YTD Changes			
	2022	2021	Difference (In PHP Millions)	%Change	% Change Due to subscriptions/ (redemptions)	% Gain/(Loss) during the year
BPI Investment Management, Inc. & Philam Asset Management, Inc.	147,337	222,490	-75,153	-33.8%	-25.7%	-8.1%
Sun Life Asset Management Company, Inc.	97,520	179,528	-82,008	-45.7%	-45.6%	-0.1%
Philequity Management, Inc.	16,586	18,365	-1,778	-9.7%	-1.4%	-8.3%
First Metro Asset Management, Inc.	12,954	13,555	-601	-4.4%	0.4%	-4.8%
ATR Asset Management, Inc. & Soldivo Funds	7,819	7,336	483	6.6%	14.3%	-7.7%
Cocolife Asset Management Company, Inc.	1,652	1,938	-286	-14.7%	-11.2%	-3.5%
Climbs Share Capital Equity Investment Fund Corp	341	352	-10.57	-3.0%	5.0%	-7.9%
MBG Investment Management, Inc.	115	154	-39	-25.1%	-5.1%	-20%
NCM MF	345	355	-10.52	-25%	-0.8%	-2.2%
CMI	111	-	111	-3%	-	-
Total	284,784	444,076	-159,292	n/a	-31.1%	-4.8%

The top two leading competitors of the fund are: Bank of the Philippine Islands (BPI), and Sun Life Asset Management Company, Inc. (SLAMCI), possessing a market share of 89% of the Assets under Management (AUM) of the mutual fund industry ending December 2022. Industry net AUM decreased primarily due to redemptions to SLAMCI, ATRAM and BIMi.

Transactions with and/or Dependence on Related Parties

MBG IMI is an affiliate of the Fund. It is also the Fund's Principal Distributor and Investment Company Adviser. Please refer to "Summary of Principal Agreements and Certain Relationships and Related Party Transactions." on page 34.

The Fund's application for a Secondary License would allow the Fund to operate as an investment company and offer its investment products, subject to regulatory requirements. Upon approval of the ICA license, the Fund will be able to offer its products to investors in the Philippines which can help diversify their investment portfolios and provide access to new investment opportunities. The Fund does not have any patents, trademarks, copyrights, license, franchises, concessions, or royalty agreements. The Fund's operations are not dependent on any of these rights.

Investment Objective

The investment objective of the Fund, which is considered to be high risk, is to achieve long term capital growth through an actively managed portfolio consisting primarily of Philippine-listed equities.

The Fund is suitable for retail and corporate investors with a high-risk tolerance seeking aggressive returns through a professionally managed investment vehicle. It is suitable for investors who have a medium to long-term investment horizon and who are willing to accept risk.

The Fund aims to achieve its investment objective by investing in a concentrated portfolio of businesses; mainly, but not exclusively, mid, and large capitalization listed companies. It will target those companies that the Investment Manager believes are best positioned to create value by capitalizing on long-term economic growth trends. The Investment Manager will adopt a fundamental, bottom-up stock selection approach, driven by independent research, when developing long-term investment strategies. The Fund's investment horizon will typically be three years.

The Fund will invest in a wide array of securities including, without limitation, common and preferred equities, listed warrants and debt instruments. The Fund may trade in futures and derivative instruments for the purpose of enhancing returns or hedging risk exposures, within the limits allowed by the Commission. The fund may also invest in foreign securities, in any currency, including equities listed in foreign stock markets. The Investment Manager shall select foreign securities in accordance with the guidelines set by the Implementing Rules and Regulations of the Investment Company Act.

The Investment Manager's fundamental research will focus on identifying companies where long-term profitability and/or growth prospects are believed to have been misunderstood or overlooked by the market. To achieve this, the Investment Manager will search for companies that it believes have the prospect of achieving high and sustainable long-term returns. This research is undertaken through company visits to companies identified through a combination of internal screening and reviews of brokers' research. High importance is attached to the extent to which senior management's economic interests are aligned with those of shareholders.

The Investment Manager anticipates that, where it is successful in identifying such an opportunity, long-term earnings growth will eventually force a reassessment of the company's prospects and that this will be reflected in the company's underlying share price. However, such a revaluation may take time to occur, and as a result the Fund expects to make investments with a long-term time horizon.

The Fund also aims to participate in selected initial public offerings ("IPO") coming to the market.

While the Fund will typically be fully invested, with cash forming less than or equal to 5% of the portfolio, the Investment Manager will have discretion to raise cash to significantly higher levels when it is the Investment Manager's opinion that market conditions make such caution desirable.

Target Investors

The target investors are primarily high-net-worth individuals and institutional investors around the Philippines. As part of the Fund's future plans, the Fund also aims to increase the number of its retail investors by making the Fund available through specific online channels/applications where it has an existing KYC reliance agreement. Before any solicitation is consummated, MBG IMI shall ensure that each prospective investor is given a copy of the MBG EIFI's prospectus in either electronic form or hard copy, that material parts of the prospects are explained clearly, and that each prospective investor goes through a suitability test to see if the said prospective investor's investment objectives and risk-taking level are aligned with those of the MBG EIFI.

Investment Restrictions, Liquidity Requirements, and other Limitations

In investing the assets of the Fund, the Fund Manager shall comply with the following limitations:

Investment Limitations

- a. *The maximum investment of the Fund in any single business group shall not exceed an amount equivalent to fifteen percent (15%) of its net assets, nor shall the total investment of the fund exceed ten percent (10%) of the outstanding securities of the investee company.*
- b. *The Fund must not invest in aggregate, more than twenty percent (20%) of its net assets in transferrable securities, money market securities, deposits, and financial derivatives issued by a single business group.*
- c. *Deposits shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license excluding monies for liquidation of a revoked Investment Company*
- d. *The investment in the following shall not exceed five percent (5%) of the net assets of the Investment Company:*
 - i. *Deposits placed with a non-investment grade or unrated deposit taking institution;*
 - ii. *Debt securities or money market instruments not dealt in an organized market or issued by an unrated or non-investment grade issuing body; and*
 - iii. *Over-the-counter financial derivatives with non-investment grade or unrated counterparty, unless the derivatives are used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%) of the assets of the Investment Company;*
 - iv. *Unlisted shares issued by a related party.**The aggregate investment shall not exceed ten percent (10%)*
- e. *Investment in foreign government debt securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating of investment grade may be increased to a maximum of thirty five percent (35%) of the net assets of the Investment Company;*
- f. *A maximum of five percent (5%) of the net assets of the Investment Company may be invested in government debt securities issued or guaranteed by a government, sovereign or central bank with an international long-term issuer rating that is non-investment grade;*
- g. *In investing in financial derivative instruments for the Investment Company, the Fund Manager shall see to it that it employs a risk-management process which captures the risks associated with the use of financial derivatives and satisfies all the following requirements:*
 - i. *The total exposure to financial derivatives or embedded financial derivatives, including counterparty transactions, shall not exceed ten percent (10%) of the net assets of the Investment Company, or five percent (5) of the net assets if the derivatives are not investment grade, unless the derivatives counterparty is used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%);*

- ii. *The Fund shall invest five percent (5) of its net assets to liquid assets to meet all its payment and delivery obligations;*
- iii. *The Fund Manager shall not act as a counterparty to an OTC derivative invested into by the Investment Company*
- h. *The Fund may not invest in the securities it is issuing*
- i. *The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its investment advisor/s, manager or distributor/s or firm/s of which any of them are members, any securities other than the capital stock of the Investment Company.*
- j. *The Fund shall not engage in short selling*
- k. *The Fund, unless the SEC provides otherwise, the Investment Company shall not invest in any of the following:*
 - i. *Margin purchase of securities (investment in partly paid shares are excluded)*
 - ii. *Commodity futures contracts;*
 - iii. *Precious metals; and*
 - iv. *Unlimited liability investments*

Liquidity Requirements

Unless otherwise prescribed by the SEC, at least ten percent (10%) of the assets of the Fund shall be invested in liquid/semi-liquid assets:

- a. *Liquid/semi-liquid assets shall refer to, but not limited to:*
 - i. *Treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines*
 - ii. *Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCTD)*
 - iii. *Government debt securities where the issuer or the guarantor is a foreign government, sovereign or central bank with an international long-term issuer rating of investment grade;*
 - iv. *Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposit accounts be accepted or allowed under a “bearer”, “numbered” account or other similar arrangement.*
 - v. *Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;*
 - vi. *Other collective schemes wholly invested in liquid/semi-liquid assets*
- b. *The Fund may implement a decreased investment of less than ten percent (10%) but not less than five percent (5%) of its assets in liquid/semi-liquid assets, provided, that it shall submit a notarized liquidity contingency plan, signed by the President of the Fund and its Fund Manager*

Other Limitations

a. Operational expenses

The total operating expenses of the Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in its previous Audited Financial Statements covering the immediately preceding fiscal year.

b. Borrowing Limit

The Fund may borrow, on a temporary basis for the purpose of meeting redemptions and bridging requirements provided that:

- *The borrowing period should not exceed one month*
- *Aggregate borrowings shall not exceed ten percent (10%) of the net assets for the Investment Company*

The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all borrowings of the Investment Company. Provided, however, that in the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).

Limitation of Liabilities

To the extent allowed by law, the Fund and/or the Fund Manager's liability shall be limited to instances of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of its office. The Fund Manager shall not be liable for act or omission where such action or inaction, in good faith, and judgement of the Fund Manager, was then necessary, reasonable, or appropriate for the proper and advantageous administration and management of the Fund.

The investment risks, including but not limited to credit risk, market risk, taxation risk, regulatory, risks, interest risk, and liquidity associated with the Fund are to be borne solely by the investor. The liability of the investors is limited to their investment in the Fund.

The Fund Manager, as well as its directors, chief executive officer, key executive officer or managers, shall not be allowed to hold more than fifty (50%) of the membership of the board of the Investment Company.

Nothing in this Prospectus shall be construed as a guaranty of return or income; nor does it entitle investor/s to a fixed rate of return on the money invested by him/her in the Fund. The Fund shall not be held liable for any loss or depreciation in the value of the Fund or in the value of the investor's holdings unless attributable to an act of willful misfeasance, bad faith, gross negligence, or reckless disregard of its duties. It is understood that mutual funds are not bank deposit products, not guaranteed by the investment company, not covered by the Philippine Deposit Insurance Corporation, and that losses, if any, are for the sole account of investor/s.

Annual Shareholders Meeting

The annual meeting of the shareholders shall be held at the principal office of the Corporation every May of each year, unless such day is a legal holiday, in which case, it shall be held on the next business day following.

Prevention of Money-Laundering and Terrorist Financing

As part of the Fund's responsibility for the prevention of money laundering under the Anti-Money Laundering Act of 2001 (R.A. 9160), as amended, the Terrorism Financing Prevention and Suppression Act of 2012 (R.A. 10168) and other relevant rules and regulations, the Fund or an entity acting on its behalf may require evidence verifying the identity of a prospective purchaser of shares and the source of the relevant funds. Whether or not such evidence will be required and, if so, the nature and extent of such evidence will depend on the circumstances.

The Fund and any entity acting on its behalf reserve the right to request such information as considered necessary to verify the identity of a proposed purchaser of shares in each case, and the Fund has absolute discretion to refuse to accept a subscription for shares in the event of delay or failure in the provision of any such information required. The Fund and/or relevant government agencies shall immediately preserve the subject property or funds upon receipt of the notice of a freeze order, in accordance with the order of the court of competent jurisdiction or the Anti Money Laundering Council (AMLC). The owner or holder of the property or funds shall be given a copy of the notice of the freeze order.

Compliance with Data Privacy Act of 2012 (Republic Act No. 10173)

The investor acknowledges that the Fund, its employees, duly authorized representatives, related companies, third party service providers and vendors, shall process and share his/her information with any person or organization to:

- Service the account
- Process transactions and enforce this contract, and
- Pursue its legitimate and lawful rights and interests and other purposes allowed under privacy laws and regulations

The personal data of the investor shall be retained throughout the existence of his/her account(s) and/or until expiration of the retention limit set by laws and regulations from account closure and the period set for the destruction or disposal of records. The investor certifies that he/she has read, understood, and agree with the declarations and authorizations, as well as the Fund's privacy policy.

Compliance with Foreign Account Tax Compliance Act

In compliance with local and foreign regulatory requirements, the Fund requires the investor to notify the Fund in writing and provide the required details or documents within thirty (30) days from a change of your circumstances. Change of circumstances means any change in the investor's circumstances which results in the Fund being subject to tax reporting and withholding requirements under local and/or foreign laws applicable to the investor or investor's property (such as the US Foreign Account Tax Compliance Act). There is a change of circumstances if there is a change in the investor's contact information, identification documents, place of residence, citizenship of the owner or beneficiary, or other circumstances as defined under applicable laws;

Failure to accomplish the foregoing gives the Fund the right to exercise any of the following:

- a. Continue the account on the same terms and conditions
- b. Continue the investment on the same terms and conditions and deduct from it any amounts that the Fund has to withhold under the applicable laws; or
- c. Terminate the account

The right to terminate the account will only be exercised after the investor has failed to provide the required information within thirty (30) days from written notice from the fund and only after the Fund is unable to transfer your policy or take any steps other than termination in order to comply with applicable laws.

Major Risks Involved in the Business of the Fund

Please refer to "Risk Factors" on page 22 for a more detailed discussion of the risks involved.

Employees

The Fund does not have any employees and does not anticipate having employees within the next 12 months, other than its corporate officers disclosed in this prospectus. Day-to-day operations are carried out by MBG IMI pursuant to the terms and conditions of the Management Agreement and Distribution Agreement between the Fund and MBG IMI.

Only sales agents who are holders of a Certified Investment Solicitor license issued by the SEC may sell mutual fund shares.

Description of Property

The Fund has financial assets in the form of cash and equities. It does not own any material real property. All the Fund's assets must be held by the custodian bank, as prescribed by SEC rules.

Legal Proceedings

There is no material pending legal proceeding to which the Fund, its Fund Manager, or any of its subsidiaries or affiliates is a party or in which any of its properties are the subject of the proceeding.

Market Price for Registrant's Common Equity and Related Stockholder Matters

Market Information

Shares of the Fund are traded over the counter, there is no public trading for the registrant's shares.

Holders

As of December 31, 2022, the Fund has 50 shareholders: Top 20 Shareholders

	Shareholder Name	Shares Held	Percentage Ratio
1	Unionbank TISG FAO PH 3P172 346	1,000,000	65.77%
2	Leafar Commercial Corporation	66,771	4.39%
3	Unionbank TISG FAO PH 3Q 201 712	64,732	4.26%
4	Unionbank TISG FAO PH 3Q201 875	60,561	3.98%
5	Margarita DC. Go	54,903	3.61%
6	Rico Rene G. Blanco	42,015	2.76%
7	Ma Cristina Gabaldon	26,129	1.72%
8	Cynthia A. Dominguez	22,886	1.51%
9	Jaime and Patricia Jude Garcia	19,851	1.31%
10	Fides C. Tiongson	17,549	1.15%
11	Kue Kun Ongkauko	13,952	0.92%
12	Edilberto B. Bravo	13,544	0.89%
13	Regina S. Filart or James Patrick Filart	12,762	0.84%
14	Monica Pauline G. Albert	10,756	0.71%
15	Antonio B. Garcia Jr. or Antonio Jose K. Garcia	8,670	0.57%
16	Rachel R. Milante	8,652	0.57%
17	Rainier R. Milante	8,652	0.57%
18	Richard R. Milante	8,652	0.57%
19	Riza R. Milante	8,652	0.57%
20	Ma Rosario Fatima A. Labay	8,345	0.55%
		1,478,034	

Quarterly Performance

Quarterly NAVPs Performance 2023				
NAVPs (in PHP)*	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Highest	82.89	88.51		
Lowest	75.25	79.79		
Closing	79.34	84.68		
Average	79.52	84.60		

Quarterly NAVPs Performance 2022				
NAVPs (in PHP)*	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter

Highest	95.74	87.26	79.80	76.91
Lowest	86.81	75.67	73.23	71.08
Closing	87.54	76.17	73.23	75.26
Average	91.77	81.17	76.85	75.23

Quarterly NAVPs Performance 2021				
NAVPs (in PHP)*	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Highest	103.40	101.00	103.67	102.47
Lowest	95.43	92.21	95.26	92.90
Closing	96.14	100.72	96.22	94.24
Average	99.26	96.45	98.20	97.71

Quarterly NAVPs Performance 2020				
NAVPs (in PHP)*	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Highest	104.46	82.36	83.66	102.42
Lowest	61.68	68.33	76.06	80.13
Closing	66.72	79.13	83.40	101.94
Average	90.51	75.57	80.04	89.61

*NAVPs – Net Asset Value per share

Dividends

The Fund has not declared any cash dividends in the last two (2) fiscal years. There are no restrictions on the ability to declare any dividends in the future.

Management Discussion and Analysis of Financial Condition and Results of Operations

The following section provides information with respect to liquidity, capital resources, and other information necessary to understand the registrant's financial condition and results of operation.

Summary of Financial Information

In PHP	As of June 30, 2023 (Unaudited)	As of December 31, 2022 (Audited)	As of December 31, 2021 (audited)	As of December 31, 2020 (audited)
Total Assets	129,602,760	117,216,897	154,844,550	160,049,787
Total Liabilities	2,513,844	1,996,309	854,463	1,658,972
Capital Stock	1,500,810	1,529,850	1,634,783	1,554,869
Additional Paid In Capital	155,811,893	158,143,969	165,944,447	157,941,231
Net Asset Value	127,088,883.64	115,220,588	153,990,087	158,390,815
Net Asset Value per share	84.68	75.26	94.196	101.87
Income	17,572,107	(23,467,025)	(4,082,296)	7,883,208
Expenses	3,348,225	7,391,317	8,399,226	7,280,269
Net income (loss) after tax	14,229,444	(30,864,088)	(12,483,858)	593,484

Major Changes in Nominal Accounts:

1) Current Ratio

= Current Asset / Current Liabilities

June 2023	Dec 2022	Dec 2021	Dec 2020
51.32	58.37	180.69	95.92

The Fund's ratio decreased by around 67.70% to 58.37:1 as of December 2022 from the previous year but increased to 51.32:1 as of the second quarter of 2023. The movement was due to the increase on market price of the securities in the Philippine market, and settlement of liabilities to related parties.

2) Debt to Equity Ratio

= Total Liabilities/Total Equity

June 2023	Dec 2022	Dec 2021	Dec 2020
1.98	1.73	0.55	1.04

The Fund's Debt to Equity Ratio significantly increased during 2022 by 214.55% from the previous year and increased by 14.45% as of June 30, 2023. This increase is attributable to redemptions payable to related party due to transfer of partner's investments.

3) Interest Coverage Ratio

= Earnings before Interest & Taxes/Interest Expense

June 2023	Dec 2022	Dec 2021	Dec 2020
n.a	n.a	n.a	n.a

The Fund does not have any outstanding debt and as a result does not pay any interest.

4) Net Profit Margin

= Net Income/ Net Revenue x 100%

June 2023	Dec 2022	Dec 2021	Dec 2020
80.98%	n/a	n/a	7.53%

The Fund's financial performance was adversely impacted by market volatility resulting in a net loss of revenue and income due to realized losses on the sale of financial assets, and unrealized losses from changes in fair value in 2021 and 2022. On the second quarter of 2023, the Fund gained a net profit margin of 80.98%, which is attributable to unrealized trading gains on Philippine securities.

Performance Summary

The Fund is organized to carry on the business of an open-end investment company and is classified as an 'Equity Fund' that invests predominantly in or holds equity investments in the Philippines. As such, the revenues of the Fund primarily come from the returns of its investments. The returns come from the price appreciation/depreciation and dividends of the equity investments over a particular period. Consequently, the income of the Fund is dependent on the price performance of its investments.

The Fund's performance is benchmarked against the returns of the Philippine Stock Exchange Index (PSEi), inclusive of dividends. The PSEi measures the relative changes in the free float adjusted market capitalization of the 30 largest and most active common stocks traded on the PSE, thereby providing an overview of the Philippine market's overall condition and performance. Information about the benchmark are publicly available and can be found on the PSE Edge website or Bloomberg.

For the fiscal periods as of December 31, 2022 and June 30, 2023 in the summary of financial information above, the Fund has experienced a net loss due to negative income in 2022 and net gain in the second quarter of 2023. This is attributable to the negative returns of the Fund in 2022, as seen in its NAVPS, which declined 30.38% in 2022. While the NAVPS increased by 9.42% in the first six months of 2023. The Philippine equities

market fell in December amidst recession concerns remaining at the top of investors' minds. The Philippine Stock Index closed the last trading day of 2022 at 6,566.39 points, lower by 3.2% or 214.39 points from 6,780.78 points the previous month. Year-to-date, this represented a decline of 7.8% or 556.24 points from 7,122.63 points at the end of 2021. Our Fund followed the same trend, albeit to a greater extent, primarily due to a higher allocation to small to mid-cap companies (compared to the PSEi), which underperformed the large-cap companies. The divergence in price performance can be attributed to the "investability" of the companies. Trading activity and liquidity in small to mid-cap companies have significantly decreased over the last few years, which has prompted many investors, including the bigger funds, to sell their positions and avoid investing in these companies regardless of their business performance. This reduced liquidity and forced selling have put downward pressure on the stock prices of these small to mid-cap companies, causing them to underperform against the market even if they have stronger business performance. It is difficult to predict when liquidity in these small to mid-cap companies will improve, but it is directly related to the performance of the Philippines market in general, so a strong performance in the PSEi should help improve liquidity and hopefully attract investors to buy these companies again.

In the meantime, we have closely monitored the performance of our companies and made sure that their businesses are performing well. Looking at the book values of our holdings, which is a measure of how the companies are doing fundamentally (as opposed to stock price, which is a measure of how the market values the company), our Fund's aggregate book value has increased 23% for the period starting its inception in 2018 until March 2023. On the other hand, the PSEi's book value has only increased by 5.31% over the same period. This means that despite our Fund underperforming the PSEi in terms of stock price, the fundamental value of our fund has grown 8 times more than the PSEi. As a Fund whose investment objective is to achieve long term capital growth using a fundamental, bottom-up stock selection approach, we remain steadfast in our commitment to our investment strategy and our conviction that the underlying companies' growth potential prevail in the long run. We believe that our Fund's performance in terms of NAVPS and profits should do better over the next few years.

A more detailed monthly performance review of the last four years is provided in the next section.

2023 Performance Review

For the month of January, shares gained 4.7% to 78.83, outperforming the PSEi TR which gained 3.5%. The Philippine index opened the year rising 3.5% MoM. Though foreign flows helped rally the market close to 7100 levels, going so far as 8.1% MoM, foreign selling and profit taking in the final stretch of the month tempered the index's gain. Inflation remains a subject of concern with Jan CPI accelerating to a 14-year high of 8.7%, faster than the 8.1% in Dec that was thought to have been the peak. The figure exceeded the central bank's forecast, driven by rising housing rentals, electricity, water rates and food costs. As a result, the Philippine central bank will be turning its attention to inflation expectations at its next policy meeting rather than matching the US Federal Reserve's policy actions. BSP Governor Medalla has said that the BSP will likely raise interest rates by 25-50 bps during its next meeting on Feb 16. Though the Philippine market will continue to face challenges going into 2023, the country's strong fundamentals coupled with government efforts to support the economy provide reasons for optimism. For instance, despite last year's headwinds, the Philippine economy grew 7.2% YoY in 4Q22, bringing full-year 2022 GDP 7.6% higher YoY. Reopening of the economy continues to be a key theme domestically, and despite an expected slowdown in 2023 as base effects fade, growth this year is expected to be strong for consumption on the back of unrestricted mobility, return to classes, personal income tax cuts, and soon, receding inflation.

For the month of February, shares lost 2.2% to 77.11, outperforming the PSEi TR which lost 3.4%. Since the Fund's inception, shares have lost 33.2%, underperforming the PSEi TR which lost 17.9% for the same period. The local stock market declined in February due to risk-off sentiment, as inflation and rate concerns weighed on the market. The benchmark index fell to 6,556.20 (-3.4% MoM) and decreased by -0.08% since the beginning of the new year. Investors adjusted their portfolios in line with MSCI's rebalancing, resulting in an estimated net outflow of -US\$93m.

For the month of March, shares gained 2.9% to 79.34, outperforming the PSEi TR which lost 0.02%. Since the Fund's inception, shares have lost 31.3%, underperforming PSEi TR which lost 17.9% for the same period. The Philippine market ended the month relatively flat in March to 6,499.68 following a volatile month as banking

stress in the US and Europe weighed on the market. The US Federal Reserve raised the policy rate by 25 bps at their March 22nd meeting, with the possibility of keeping interests steady for the time being. This change in stance should help boost global market sentiment. Meanwhile, the Bangko Sentral ng Pilipinas (BSP) raised the policy rate by 25 bps to 6.25%, as February inflation remained elevated at 8.6%, though slightly lower than the 8.7% print in Feb. The gap between US and PH policy rates has remained at 1-1.25%. With food and petrol prices normalizing, inflation is expected to trend lower barring any significant supply shocks. The BSP reduced its inflation forecast to 6% and 2.9% in 2023 and 2024.

For the month of April, shares gained 7.3% to 85.11, outperforming the PSEi TR which gained 2.3%. Since the Fund's inception, shares have lost 26.3%, underperforming PSEi TR which lost 16.0% for the same period. Over the past month, there has been speculation about M&A activity involving some of the companies in our portfolio, driving their stock prices higher and resulting in substantial year-to-date returns, bringing the fund up +13.1% YTD vs the PSEi +2.2% (as of end-April). Our construction company announced the entrance of a new shareholder group, acquiring a 20% stake at a 15% discount to book value. This follows the recent privatization of our cement company only late last year. Privatization has been happening quite frequently as we observe several public companies being delisted or announcing their intention to go private, such as 2GO and MPI. As we have previously highlighted in our newsletters, these occurrences hold the potential to unlock significant value.

For the month of May, shares gained 1.7% to 86.56, outperforming the PSEi TR which lost 1.9%. Since the Fund's inception, shares have lost 25.0%, underperforming PSEi TR which lost 17.6% for the same period. Looking into our portfolio, the controlling shareholders of our construction company sold another 14.35% stake at book value to a new investor, following the 20% stake sale last month. It marks the end of an era where the previous controlling shareholder started the company back in 1931, and the start of a new beginning. Our energy-related holding company did very well with Q1 net profit reflecting 31% growth as a result of a 42% improvement in its energy subsidiary. Their re-gas facility is also slated to run by Q2 to Q3 this year. The project is expected to play a critical role in opening up LNG imports to the Philippines. This would allow potential expansion as the capacity growth in the last decade was capped by fuel supply from Malampaya. We recently added a container company which we believe were trading at very attractive valuations, with exceptional ROEs at a fair price of just 13x PER. Though they reported Q1 earnings growth of only 8%, this is expected as it reflects global challenges which we believe are temporary.

For the month of June, shares lost 2.2% to 84.68, underperforming the PSEi TR which lost 0.1%. Since the Fund's inception, shares have lost 26.7%, underperforming PSEi TR which lost 17.7% for the same period. Our oil refiner successfully raised 14 billion PHP through a preferred share offering, which represents approximately 40% of their current market capitalization. This signals the confidence of fixed-income investors in the refiner's outlook and capacity. With auto sales up 40% YoY in May, banks' renewed appetite for auto loans, favorable oil prices, and booming tourism with busy airports, there is clear evidence of the recovery of oil consumption. We believe our refiner is well-positioned to benefit from these positive developments. Moreover, our holding company conducted a buyback in June, repurchasing 1% of its outstanding shares, which serves as a vote of confidence in the company itself. Since the inception of their buyback program in 2012, they have successfully bought back 23% of the company at significant discounts to book value.

2022 Performance Review

For the month of January, shares lost 2.1% to 92.28, underperforming the PSEi TR which gained 3.4%. Since the Fund's inception, shares have lost 20.1%, underperforming PSEi TR which lost 9.8% for the same period. Looking into our companies, our banking company's corporate loan demand regained some grounding in 9M21. However, it was not enough to offset the weaker demand from the consumer loans segment which accounts for ~72% of its total portfolio. Our cement company's operations have held up well and remain best positioned given its industry leading profit margins, which stood at 31% as of 9M21—well above its peers.

For the month of February, shares gained 0.1% to 92.36, outperforming the PSEi TR which lost 0.7%. Since the Fund's inception, shares have lost 20.0%, underperforming PSEi TR which lost 10.6% for the same period. Looking into our portfolio, our oil and gas company swung back to profitability with a reported net income of

P6.14 billion for full year 2021 from a loss a year ago due to higher sales volume (+5%) from the rebounded demand of easing restrictions and restarting of economic activities. Our cement company remains robust, recording 4Q21 net income of P947 million (+35% YoY, -31% QoQ). While the construction of its Cebu plant remains on hold, we continue to like our company given its super profit margin of 28% vs its competitors (3% and 11% in 9M21).

For the month of March, shares lost 5.2% to 87.54, underperforming the PSEi TR which lost 0.6%. Since the Fund's inception, shares have lost 24.2%, underperforming PSEi TR which lost 10.9% for the same period. Our energy company reported its consolidated revenues rose 18% YoY in-line with higher fuel costs while earnings were flat, due to weaker 4Q core profit contributions from its natural gas and renewables plants. Their LNG terminal is scheduled to come online in 4Q22, which should help alleviate short-term uncertainties and stabilize natural gas utilization rates. Moving on to our power company, the recent rise in global oil prices should provide some inventory gains for them. The company shared that they do not anticipate any supply shortages in the short or medium term given that they do not have any crude supply contracts with Russia.

For the month of April, shares lost 4.2% to 83.89, outperforming the PSEi TR which lost 6.5%. Since the Fund's inception, shares have lost 27.3%, underperforming PSEi TR which lost 16.7% for the same period. Our oil company more than doubled its net income in 1Q22, up +108.9% YoY to Php 3.6 billion due to improving sales volume amid strong refining crack margins and recovery in demand. Its consolidated sales volumes from the PH, Malaysia and its trading unit in SG grew 34% YoY to 25.67 million barrels in Q. While our bank's profits dropped in the 1Q22 to Php 507 million on the back of higher provisions for potential loan losses and lower trading revenues, we remain bullish given banks are seeing stronger loan demand as economic activity increases, and as they potentially stand to benefit from the BSP's move to raise policy rates.

For the month of May, shares lost 6.6% to 78.32, underperforming the PSEi TR which gained 1.0%. Since the Fund's inception, shares have lost 32.2%, underperforming the PSEi TR which lost 16.1% for the same period. Our home improvement company's store expansion is still ongoing in provinces outside of Metro Manila. The company is set to add a minimum of 8 new stores in 2022, bringing its store footprint to 58 (with a target of 100 branches by 2026). Its new branches will be built closer to residential communities, leveraging the synergies with its parent company's residential housing arm, as more consumers deem it a priority to lessen movement and shop closer to home. With gov't focusing on inclusive growth outside of Metro Manila, this is a play on urbanization outside the metro as a result of improving connectivity.

For the month of June, shares lost 2.7% to 76.17, outperforming the PSEi TR which lost 9.1%. Since the Fund's inception, shares have lost 34%, underperforming PSEi TR which lost 23.6% for the same period. The construction industry is expected to recover as pandemic restrictions are eased; however, rising fuel prices and inflation have driven construction costs upwards. President Marcos said that he plans to continue Duterte's infra program and sustain infra spending at 5-6% of GDP to spur economic growth. Our construction company is poised to benefit from this initiative. Its existing pipeline of unworked contracts by the end of 1Q22 stood at a healthy level of P52 billion, and they remain well-positioned to bid for more mega infra contracts under the government's BBB program.

For the month of July, shares gained 0.4% to 97.38, underperforming the PSEi TR which gained 2.6%. Since the Fund's inception, shares have lost 33.7%, underperforming PSEi TR which lost 21.6% for the same period. Our cement company registered topline growth of +18.3% YoY resulting from higher sales volume and higher selling prices. However, the increase in revenue was offset by higher input costs amid the surge in prices and supply chain difficulties. Despite the contraction in net income, its net margin (1H22: 22%) remains the industry leader compared to its peers. Our oil company reported revenues reached P398 billion (+129% YoY) and consolidated net income almost doubled in 1H22 from P3.87 to P7.71 billion, attributed to strong recovery in sales volumes and higher prices in finished products. Owing to the sustained increase in sales volume between the combined operations of the Philippines and Malaysia, the company sees earnings tripling to P18 billion this year.

For the month of August, shares gained 2.4% to 78.37, underperforming the PSEi TR which gained 4.5%. Since the Fund's inception, shares have lost 32.1%, underperforming the PSEi TR which lost 18.0% for the same period. Our real estate company revealed that its office vacancy rates climbed to 32% in 2Q, with the possibility of it reaching 45% as its new supply comes to market. Despite malls beginning to show signs of recovery, residential and office segments continue to face headwinds. Our energy company is expected to complete the construction of its LNG terminal in 1Q23, sooner than its 2Q target. The completion of its terminal bodes well for the company as it provides much needed fuel supply security for the company and the country.

For the month of September, shares lost 6.6% to 73.23, outperforming the PSEi TR which lost 12.7%. Since the Fund's inception, shares have lost 36.6%, underperforming PSEi TR which lost 28.4% for the same period. While growth prospects have dimmed across Asia's emerging markets amid the global slowdown, the Philippines remains resilient based on a recent report by ADB, with an upwards forecasted GDP revision to 6.5%. There was some activity with our cement company which bodes well for the fund as news broke of an acquisition by the acquirer of the same controlling owner at P22 apiece, a 43% premium over the stock's closing price before the announcement.

For the month of October, shares gained 3.9% to 76.12, underperforming the PSEi TR which lost 7.3%. Since the Fund's inception, shares have lost 34.1%, underperforming PSEi TR which lost 23.2% for the same period. Markets continued to play close attention to the US Fed, which continued its aggressive monetary tightening. Back home, the Bangko Sentral ng Pilipinas followed suit, matching the 75 bps and raising the policy rate to 5% in order to maintain the interest rate differential to ensure exchange rate stability. Looking into our portfolio, our oil company continued its strong performance in 9M22, posting consolidated net income of P8.2bln (+64% YoY) as sales surged +116%. Consolidated sales volumes reached 80.4 million barrels (+37% YoY) while domestic volumes jumped by 40%, with the recovery in industrial demand and aviation sector. We are pleased to update that the acquisition of Eagle Cement by San Miguel Corp is set to proceed as the deal is not subject to review by the government's anti-trust body. We will be participating in the tender offer at a price of P22.02 per share at an average cost of P14.05 (+57%).

For the month of November, shares gained 0.1% to 76.22, underperforming the PSEi TR which gained 10.4%. Since the Fund's inception, shares have lost 34.0%, underperforming PSEi TR which lost 15.3% for the same period. The Fed is expected to slow down the pace of its monetary tightening on the back of easing inflation. The Philippines' annual inflation rate soared to 8% in November, the highest in 14 years driven by higher food prices. Looking into our portfolio, our bank reported higher net income in 3Q22, up +17% YoY and +49% QoQ driven by increases in loans and fixed income securities. Consumer loans, which account for 74% of the bank's portfolio, rose by +11%. Our one-stop-shop home improvement company reported P9.1B in revenue in 9M22 (-10% YoY) and net income of P702M (-59%) as consumer spending shifted to travel and entertainment. The company continues to grow their store count, adding five more locations in the first half of 2022 alone putting it on track to meet its goal of 100 stores by 2026.

For the month of December, shares lost 1.2% to 75.27, outperforming the PSEi TR which lost 1.6%. Since the Fund's inception, shares have lost 34.8%, underperforming PSEi TR which lost 16.6% for the same period. The local bourse lost -3.16% for the month of December as global recession fears drove renewed foreign selling. Though the index ended the year in the red, the +10% climb in November significantly tempered the PSEi's YTD decline to -7.8% in Dec from -19.4% in 3Q22. Inflation inched up slightly, with the December print coming in at 8.1% (from 8% in Nov). Though there are fears of the global economy potentially facing a slowdown in 2023, there is some cause for optimism as the Philippines' post-recovery demand momentum carries into the new year. Unemployment eased to 4.2% in November, translating to 2.17 million unemployed Filipinos, the lowest level in over 17 years. We have exited our position in our cement company which has left us with a considerable amount of cash. Cash has grown to 33% of the total portfolio. We plan to deploy the proceeds from the sale into some of our existing positions and into a few new names that present a good buy opportunity.

2021 Performance Review

For the month of January, shares lost 4.2% to 97.02, outperforming the PSEi TR which lost 7.4%. A year has passed since the first COVID-19 infection was reported in the Philippines. Cases have since surged past 500k, with the virus taking its toll on the economy, with 2020 GDP contracting 9.5%. Quarantine measures remain in place which continues to dampen movement and economic activity. Looking into our holdings we see them benefiting greatly from the CREATE bill's reduction in corporate taxes. Our oil refiner which saw a very difficult year amid dampened oil demand and slim refining margins may come out of the pandemic with some relief in the form of exemptions for taxes on their crude oil imports, a new provision of CREATE.

For the month of February, shares gained 1.8% to 98.80, underperforming the PSEi TR which gained 2.8%. A year has passed since the World Health Organization declared COVID-19 a pandemic but an end to the crisis is finally in sight as the first batch of vaccines have arrived, and the country has begun its vaccine rollout to

frontline health workers. Vaccines are expected to be more widely available in 3Q21. Looking into our holdings, our refinery announced its 2020 full year results, reporting an 11.4 billion net loss as consolidated sales volume dropped 27% YoY due to the impact of the pandemic. The last two quarters of the year however, showed some upward momentum after its slump in 2Q20. Meanwhile, our genco restarted its 420 MW San Gabriel power plant (12% of its capacity), which had been under maintenance since September of last year. With the restoration of the plant to full operations, the company is now able to produce energy at 100% capacity, allowing it to take advantage of growth in energy demand as consumption recovers.

For the month of March, shares lost 2.7% to 96.14, outperforming the PSEi TR which lost 4.5%. The alarming resurgence in cases led the Philippine government to impose ECQ anew in Metro Manila and surrounding provinces to try to contain the rising cases that are testing the country's healthcare capacity. The reversion back to the strictest lockdown puts a damper on economic activity with restrictions on movement, curfews, and non-essential businesses ordered shut. This sent the market reeling, as reopening hopes were replaced with concerns of limited mobility and. Inflation inched down to 4.5% in March (vs Feb's 4.7%). The BSP is seen to keep policy rates steady and accommodative alongside manageable inflation. Our cement company reported net sales down 31% in 2020 due to the community quarantine in Luzon. They're on track to complete their plant expansion in Q2 which will increase its capacity by 21% (7.1 to 8.6 MMT) thereby solidifying its position as the country's single largest cement plant. Volumes have also since improved and the company is confident in double digit growth as infra spending increases, and as ties with institutional clients provide a steady flow of demand.

For the month of April, shares gained 0.2% to 96.34, outperforming the PSEi TR which lost 1.0%. Philippine COVID-19 cases topped the 1 million mark, leading the country to extend its already month-long lockdown in NCR Plus to mid May. Vaccine rollout has been slow, with only 4 million of the 8 million received doses having been administered. Our infra company announced its full year 2020 results with revenues down 41% YoY and net income down 277%. This one-off year's losses can be used to deduct from their taxable income moving over the next 5 years. Our oil refinery reported P1.73 billion in profits for 1Q21, in stark contrast to the P4.9 billion net loss it incurred for the same period in 2020. We've made the decision to exit our position in our steel company. We took profit at a gain of 74% after its stellar performance in Q1 2021, which saw net income achieve 68% of its full year 2020 results which pushed the stock price.

For the month of May, shares lost 1.7% to 94.66, underperforming the PSEi TR which gained 4.3%. The Philippines' improving Covid-19 situation prompted the government to ease lockdown restrictions in NCR+ to allow for more business activities and mobility. Our cement company announced its Q1 earnings, reporting double digit earnings growth with net sales up 16% YoY and its bottom-line up 44% due to improvements in sales volume and better margins. Our power firm reported flat 1Q21 revenue (+0.3% YoY) and positive net income (+22.8% YoY). They've made considerable progress in the LNG space and recently signed an agreement with a foreign firm for towage and vessel support services for its upcoming LNG project. We've made the decision to exit our Vietnam portfolio which leaves us with a considerable amount of cash. We're looking into increasing our key holdings.

For the month of June, shares gained 6.4% to 100.72, outperforming the PSEi TR which gained 4.2%. The Covid-19 situation seems to be improving, with infections in the NCR starting to plateau compared to the surge in March and April. We're excited about our infra company's prospects given that they secured new contracts from its international operations and will continue to work on their domestic projects with a combined value of P60 billion. Our real estate company just got approval for the IPO of its real estate investment trust (REIT). The proposed REIT is seen to unlock the value of the company's growing recurring income projects and prime office leasing business through reduced corporate taxes and the availability of new capital for expansion.

For the month of July, shares lost 4.8% to 95.93, outperforming the PSEi TR which lost 9.1%. Rising Covid-19 cases due to transmission of the highly infectious Delta variant forced the Phil gov't to reinstitute lockdowns across the country. This put a damper on market sentiment as heightened restrictions on activity and movement threaten economic rebound which was already showing some signs of recovery. Our cement company reported its best quarter to date with 2Q21 net sales up 317% YoY on the back of aggressive pricing and higher sales volume. Management has indicated that 2021 may be the best year in terms of volume, and hopefully, profits. Our oil & gas company has since resumed operations of its refinery.

For the month of August, shares gained 1.5% to 97.38, underperforming the PSEi TR which gained 9.7%. The

Philippine government extended its coronavirus curbs as daily Covid-19 infections continue to hit new highs. Our infra company's 2Q21 consolidated revenues grew 208% YoY and 34% QoQ, as operations were allowed despite the reimposition of lockdowns allowing its infra projects to operate at full capacity. Even with the company's sustainable backlog of projects which should last 2-3 years, the company continues to bid for more mega infra projects through the government's BBB program. Our energy company reported revenues up 18% QoQ in 2Q21, resulting in a 12% YoY increase in 1H21 revenues. Moreover, global investment firm KKR plans to further increase its stake in the company and made a tender offer for shares of the firm, representing a 16% premium to the share's last price on Aug 26.

For the month of September, shares lost 1.2% to 96.22, underperforming the PSEi TR which gained 0.5%. The Philippines seems to now be on the path to recovery. Vaccination rates continue to rise albeit at a slower pace. Daily infections are now on the decline since the September surge driven by the Delta variant. As mobility restrictions continue to improve, as has our oil refinery which saw consolidated volumes rise 13.7% YoY. Coupled with the rally in crude oil prices helped to lift their topline +14.3% YoY in 1H21. We are optimistic about the company's prospects given their strategic network expansion and commitment to invest Php 3 billion into the newly reopened refinery over the next 5 years. Our power company was recently removed from the benchmark PSEi as the free float went below the minimum requirement rule owing to the tender offer of investment company KKR.

For the month of October, shares gained 4.7% to 100.77, outperforming the PSEi TR which gained 1.5%. Since the Fund's inception, shares have lost 12.7%, outperforming PSEi TR which lost 13.7% for the same period. Our cement company reported net income growth of 1% YoY in 3Q21 (-30% QoQ), bringing 9M figures up 89% YoY on the back of double-digit sales growth. Its net sales have since recovered to pre-pandemic levels. Our holding co. posted net income attributable to equity holders' growth of 22% YoY in 3Q21. This brought 9M21 profits to Php 6.2 billion, from Php 8.8 billion in the same period last year. About half of the bottom line is attributable to its banking arm. While the bank posted lower net profits of Php 5.1 billion in 3Q21 (-14% YoY) due to lower net interest income and trading gains, it continued to maintain a high return on equity of 11.7% and its industry leading net interest margin of 6.9%.

For the month of November, shares lost 5.1% to 95.67, underperforming the PSEi TR which gained 2.2%. Since the Fund's inception, shares have lost 17.1%, underperforming PSEi TR which lost 11.8% for the same period. Our home improvement and construction company reported double-digit sales growth (+22% YoY) for the Jan – Sept 2021 period. While 3Q saw a re-imposition of lockdowns and mobility curbs as infections surged as a result of the Delta variant, stores remained open, albeit on shortened operating hours. On a stand-alone basis, the company's 3Q performance improved to P3.4 billion in net sales (+9% MoM) from P3.13 billion in 2Q21. The company has maintained its expansion program, with 5 new stores opened as of end September, and remains on track to achieve its 100 store target by 2026.

For the month of December, shares lost 1.5% to 94.24, underperforming the PSEi TR which lost 1.0%. Since the Fund's inception, shares have lost 18.4%, underperforming PSEi TR which lost 12.7% for the same period. President Duterte signed into law the Php5 trillion 2022 national budget, equivalent to 21.8% of GDP. Approximately Php1,180 billion or 5.3% of GDP will go towards accelerating the government's Build 3x program. This bodes well for our construction company as it is well positioned to win upcoming projects under the government's flagship infra program. Our local cement company is also expected to benefit from provisional anti-dumping duties on cement imports, which will help remove price disadvantages to local cement manufacturers and likely ease pricing pressure.

2020 Performance Review

For the month of January, shares lost 5.5% to 97.74, underperforming the PSEi TR which lost 7.9%. This was the worst drop for the PSEi since Nov 2016, which was due to a confluence of different factors including the eruption of Taal volcano, the review of "onerous" government contracts and the spread of Covid-19. Of the three, Covid-19 was expected to have the largest impact on the economy with GDP growth estimated to drop from the forecast 6.5-7.5% to 0.3-0.7%. Despite this the passing of the 2020 budget and the governments push for inclusive growth and job creation were expected to be drivers of growth in the near future. Looking at our companies, our cement firm was sole listed player in the industry to record sales volume growth among its competitors.

For the month of February, shares lost 7.6% to 90.32, underperforming the PSEi TR which lost 5.7%. As Covid-19 continues to spread, so did investor uncertainty with US\$ 6 trillion being wiped from global markets in the last week of February alone. To combat the economic effects of the virus central banks all over the world began cutting interest rates, with the BSP cutting local rates by 25 bps. Another event which exasperated market conditions was the Oil price war between Russia and the Kingdom of Saudi Arabia, which pushed global oil prices down by 25%. President Duterte declared a 30-day community quarantine, which led an overall lockdown of metro manila. Examining our holdings, our investments remain fundamentally sound, but the with current state of market sentiment stock prices fell across the board.

For the month of March, shares lost 26.1% to 66.72, underperforming the PSEi TR which lost 20.9%. With Covid-19 having infected over a million people globally, many countries have been forced to institute strict lockdowns to curb the spread of the virus. This led to a plunge in global equities, with the local bourse falling to 8-year lows. In response to Covid-19 the local government declared a month-long enhanced community quarantine to reduce the potential spread of the virus. To fund medical efforts and support businesses the government passed the “Bayanihan to Heal as One Act.” Despite the pessimism in the markets our companies remain fundamentally with our energy and cement companies recording net income growth of 34% and 25% YoY respectively for the previous fiscal year, which will help to cushion the viruses’ impact.

For the month of April, shares gained 12.7% to 75.22, outperforming the PSEi TR which gained 7.2%. With many countries beginning to reopen from lockdowns, and potential treatments continuing to see progress global markets rose with the PSEi climbing 7% despite US\$ 921 million in foreign selling. Looking at economic data the Philippines recorded its first contraction in years, with GDP receding by 0.2% in Q1 of this year. Looking at our holdings, the “cease and desist” order to ABS-CBN heavily impacted our holdings company who has significant exposure, though on the other hand its energy company will be able to minimize the impact of reduced energy consumption with its “force majeure” clause. Additionally, our cement company is likely to benefit from the expected increase in infra spending.

For the month of May, shares lost 1.9% to 73.81, underperforming the PSEi TR which gained 2.5%. There have been signs of recovery with 2.5 million jobs being added in the US and Chinas PMI expanding this month. With better than expected economic data the S&P wiped all its losses for the year. Locally the economy is expected to grow between 6% and 9% in 2021. To ensure the country is able to recover the government has eased the lockdown to a general community quarantine, and has proposed a variety of bills including CREATE, CURES and ARISE. Looking into our companies our GenCo received a tender offer by a Singapore PE to purchase 6 to 9% of outstanding shares.

For the month of June, shares gained 7.2% to 79.13, outperforming the PSEi TR which gained 6.6%. At this time, there were 11 million Covid-19 related infections as well as half a million confirmed deaths. Developing nations including the Philippines haven’t fared so well in these conditions. With lockdowns still ongoing the impact on the economy was forecasted to be severe with the BSP projected a drop of 5.7-6.7% in GDP for 2Q20. To counter this the BSP cut an additional 50 bps from interest rates, and the DOF secretary has pushed for a transition into eased lockdown conditions. In Vietnam on the other hand the country is expected GDP is expected to grow at 4.1% for 2020. Not much had occurred for our companies this month, but the tender offer for our GenCo was closed and pushed its stock price up 14% MoM.

For the month of July, shares lost 2.1% to 77.43, outperforming the PSEi TR which lost 4.4%. With a surge of local Covid-19 cases the country has once again returned to a stricter lockdown. With dismal 2Q earnings numbers and the country’s GDP growth falling 16.5% YoY in 2Q investor sentiment has remained weak. Despite this the NEDA chief mentioned that economic indicators have begun “trending towards 2019 levels.” This month the house approved the Bayanihan 2 stimulus package and saw BBB projects restarting construction. Our cement company saw a net income fall of 93% in 2Q as demand and prices fell. Our Holdings company on the other hand saw income shoot up 24% as its banking arm registered significant trading gains and improved margins. In Vietnam our property developer reported an 8% YoY increase in 1H net income, while our mobile retailer saw 2Q revenue drop 20% as sales declined during the lockdown.

For the month of August, shares gained 2.9% to 79.70, outperforming the PSEi TR which lost 0.5%. At this time the Philippines has had the highest Covid-19 caseload in ASEAN, which in line with a lack of positive catalysts

have kept investors in the sidelines. The PSEi at this time is still down 24.7% YTD, and economic data still remains lackluster though there were some positives this month with the unemployment rate down from 16.7% to 10%. Looking at our holdings our GenCo and oil refiner both reported drops in 2Q earnings with our Genco registering a 15% fall in net income while our oil refiner saw a Php15 bn net loss as oil margins remain depressed. Despite uncertainty in other industries, construction seems to be a safe bet with infra spending increasing at a better pace than expected. This has greatly benefited our cement company with its stock price jumping 25% MoM.

For the month of September, shares gained 4.6% to 83.40, outperforming the PSEi TR which lost 0.3%. The Philippines' caseloads have risen to over 320k, entering the list of top 20 countries with the most number of coronavirus infections globally. However, despite the increasing cases, conditions seem to be improving. Covid stats and hospital data look encouraging, with the OCTA research team stating that the Philippines has already flattened the curve. The market was buoyed by an improved Philippine Manufacturing Purchasing Managers Index (PMI), 50.2 in September from 47.3 in August which showed an expansion in factory activity compared to the previous month's contraction. Meanwhile, the BSP kept policy rates unchanged but are expected to be cut by another 25 bps to 2% after the 3Q GDP print. With expectations of poor 3Q earnings, still dampened economic activity and potential volatility with the US presidential elections in close sight, investors remain wary and continue to stay on the sidelines. Foreign selling continued amounting to a record US\$ 2.02 bn YTD.

For the month of October, shares gained 3.8% to 86.57, underperforming the PSEi TR which gained 7.9%. As coronavirus cases in the Philippines surpass the 400,000 mark, local transmissions seem to be decelerating, with overall new cases dropping 25% this month. While lockdown levels remained unchanged, with Metro Manila staying under GCQ in October, measures to ease restrictions have been gradually introduced. Transport restrictions have been eased, curfew hours shortened, hotels and restaurants are allowed to operate with increased capacity. Foot and car traffic also seem to be picking up, with more vehicles seen on the road, but still lower than pre-pandemic levels. Meanwhile GDP contracted 11.5% YoY in Q3 taking 9M GDP to -10% YoY. Though lower than expected, there was some improvement in consumption (-9.3% 3Q vs -15.3% 2Q). Moving forward, easing restrictions even if lockdown levels remain in place, should help the government's efforts to reopen and reinvigorate the economy.

For the month of November, shares gained 11.5% to 96.55, outperforming the PSEi TR which gained 7.5%. As the year draws to an end, sorely needed good news on the vaccine front has come, with leading manufacturers, Pfizer, Moderna, and AstraZeneca all reporting positive vaccine developments. First vaccinations have begun in the UK, as the covid vaccine's historic mass rollout begins less than a year after the outbreak. Locally, the covid situation seems to be more manageable with confirmed cases having leveled off at 1,500-2,000 daily, while occupancy rates for covid treatment have come down. These developments helped lift the PSEi, which climbed 7.4% in November. Meanwhile, the BSP surprised the market with a 25-bps rate cut to 2% (a record low) in response to indicators of slower economic recovery amid muted business and household sentiment. The Senate passage of the CREATE bill, the second package of the administration's tax reform program which aims to reform and restructure corporate taxes has been described by Sec. Dominguez as the largest stimulus package for those businesses battered by the economic impact of COVID. Some of the salient points of the bill are the reduction in the corporate tax rate from 30 to 25%, and reduction by 1 ppt every year starting 2023 until it reaches 20%. This bill is expected to help speed up economic growth through job creation and attract more investment to help jumpstart the economy. On the upside, the rate cut alongside QE+DM will help buoy stock valuations ahead of corporate earnings recovery.

For the month of December, shares gained 5.6% to 101.94, outperforming the PSEi TR which gained 5.2%. It has been an eventful year, to say the least, one that will forever be etched in our minds. A volcanic eruption, an oil price war, global social unrest, massive flooding all topped off by the coronavirus pandemic, which brought about major disruptions that upended the world. Countries across the globe enacted lockdowns to try to contain the novel coronavirus spread, but in the process decimated global supply chains, household demand, and economies, while at the same time bringing unprecedented challenges to healthcare systems, livelihoods, and industries. Markets faltered amidst all the volatility, with global equities experiencing sharp drawdowns that saw trillions of US dollars in share market value losses, the worst drop since the 2008 global financial crisis. In the Philippines, the market came to a trough in March of this year, down 40.8%. Governments

and central banks intervened by slashing interest rates while also pumping money into the economy as businesses were forced to close and confinement mandated. Though reopening optimism saw some market recovery in subsequent months, the ADB sees the PH as the worst ASEAN performer this year, with expectations of a GDP contraction of 8.5%. For the year 2020, foreigners were net sellers for US\$2.5bn, the biggest yearly outflow recorded to date.

However, the year ended on a more positive note, as news of vaccine developments, and inoculation efforts helped push the gains in December shaving off the PSEI's 2020 decline to just 8.6%.

Balance Sheet Items (2023 vs. 2022)

As of June 30, 2023, the Fund's total asset stood at PhP129.60 million, higher by 10.57% over December 31, 2022, which is at PhP117.22 million. The increase has been attributed to market volatility in the Philippine market.

Changes in the items on the asset side of the balance sheet mainly reflect shifts within investment asset classes.

Cash in banks is highly liquid asset; use as standby funds for redemptions by shareholders and any future investment opportunities. On June 30, 2023, cash in banks decreased by 58.98% compared to December 31, 2022. This is mainly due to buying of securities of the Fund on Philippine Market.

Financial Asset at FVPL on Philippines Market increased from PhP77.01million to PhP111.91 million or 45.32% in June 30, 2023. This is attributable to the rise in the Philippine Market resulting in higher valuation of investment stocks. The Fund also has bought new securities on Philippine Market which contributed a higher valuation on investment stocks.

Total Liabilities as of June 30, 2023 increased by PhP0.52 million or 25.92% compared to December 31, 2022. The increase is mainly attributed to the redemptions payable for transfer of investment of partner to related party. The increase is partially offset by settlement of liabilities to related parties.

As a result, net asset value per share increased by 10.30% from PhP115.22 million as of December 31, 2022 to PhP127.09 million as of June 30, 2023.

Income Statement (2023 vs. 2022)

Income for the Fund is generated primarily from realized gains on investments in listed securities, interest income from its fixed income investments, and dividends.

MBG Equity Investment Fund Inc. reported a net income of PhP14.22 million for the second quarter of 2023, increased by PhP45.09 million compared to December 31, 2022. The significant increase in net income in 2023 is primarily due to the market volatility and unrealized gains on FVPL.

The Fund had an unrealized gain on FVPL amounting to PhP15.12 million which significantly increased from a trading loss last December 31, 2022, amounting to PhP27.02 million. This was largely caused by better performance of Philippine stock market compared to last quarter and investment on higher valued stocks on Philippine Market.

Dividend decrease significantly by 18.18% for June 30, 2023. There was lesser paid dividend on the securities held by the Fund for the second quarter of 2023.

Fees paid to the investment advisor (Management Fee) and administrator (Administration Fee), for June 30, 2023 amounted to PhP1.43 million. As these fees are all calculated as a percentage of the Fund's assets, they all decreased in proportion with the decrease and increase in the Fund's size year-on-year.

Key Performance Indicators

The Fund has set quantifiable measures to evaluate its performance and has identified the following Key Performance Indicators affecting its current operations:

1. Investment Performance vs Benchmark

Benchmarking is one of the most important aspects of a mutual fund's total return performance. The Fund's performance is benchmarked against the returns of the Philippine Stock Exchange Index (PSEi). The PSEi measures the relative changes in the free float adjusted market capitalization of the 30 largest and most active common stocks traded on the PSE, thereby providing an overview of the Philippine market's overall condition and performance.

As of December 2022	1 Year Return	3 Year Return	Return Since Inception
MBG Equity Investment Fund, Inc.	-20.30%	-27.26%	-34.82%
Benchmark: PSEi	-5.91%	-11.01%	-17.86%

2. Long term performance vs peers

	2020	2021	2022
MBG Equity Investment Fund, Inc.	-2.01%	-7.05%	-20.13%
Peers	-7.28%	3.7%	-8.66%

3. Subscriptions and Redemptions in the Fund or Net New Business

Open-end mutual funds can grow their asset size through two methods: 1) an increase in the value of the underlying assets due to successful portfolio performance, and 2) by attracting new investments from investors. The net increase in asset size resulting from investor subscriptions may serve as an indication of the fund manager's efficient management capabilities, reflective of the fund's performance. The Fund aims to generate positive net new business, defined as the positive difference between client subscriptions less redemptions.

(in PHP)	2020	2021	2022	2023
Subscriptions	10,900,000	6,900,000	1,800,000	100,241
Redemptions	(1,655,926)	316,869.86	(9,705,511)	(2,461,358)
Net Subscriptions	9,244,074.45	6,583,130.14	(7,905,411.39)	(2,361,117)

*As of June 2023

4. Average AUM per client

The Fund aims to grow its customer base, in terms of number and average AUM, by achieving top investment performance and delivering high quality investor services.

In PHP	2020	2021	2022
Average AUM per client	3,372,540	3,081,318	2,257,580

5. Customer Engagement

The Fund aims to grow its customer base as well as increase its share of customer investment portfolios by achieving top investment performance and delivering high quality investor services.

	2020	2021	2022	2023*
Clients	47	50	51	50

*as of June 30, 2023

There are no:

- arrangements whereby any underwriter of the MBG EIFI is given the right to designate or nominate a member or members of the Board of Directors of the Fund,
- known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Fund's liquidity increasing or decreasing in any material way;
- events that will trigger direct or contingent financial obligation that is material to the Fund, including any default or acceleration of an obligation;
- material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Fund with unconsolidated entities or other persons created during the reporting period;
- material commitments for capital expenditures;
- known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Fund's revenues or income from continuing operations;
- significant elements of income or loss that did not arise from the Fund's continuing operations; and
- seasonal aspects that had a material effect on the financial condition or results of operation.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There has been no disagreement with the external auditor of the Fund on any accounting and financial disclosures.

Directors and Officers of the Fund

The BOD is responsible for conducting all the businesses of the Fund. It shall exercise general supervision over the duties performed by the Investment Company Adviser, Distributor, Transfer Agent, and Custodian of the Fund. The Fund is authorized to appoint and maintain a Board of Directors comprising nine (9) members.

The following are the Fund's current directors and officers:

Name	Citizenship	Position	Age	Term of Office
Evelyn R. Singson	Filipino	Director	79	2022
Edson Byron Kuo Sy	Filipino	Independent Director	34	2023
Sebastian Arsenio R. Lacson	Filipino	Treasurer	52	2022
Joseph Alvin C. Tan	Filipino	President	34	2022
Jose Ramon R. Garcia	Filipino	Director	61	2023
Paul Patrick M. Carague	Filipino	Independent Director	52	2022
Dennie T. Daniolco	Filipino	Compliance Officer	24	2023
Gerardo Maximo V. Francisco	Filipino	Corporate Secretary	53	2022

Below is a description of each director/officer's business experience during the last 5 years.

Evelyn R. Singson is concurrently the Vice Chairman and President of Dusit Thani Philippines Inc., Member of the Supervisory Council of Lyceum of the Philippines University, Director and President of Gilt- Edged Properties, Inc., Director and Treasurer of Four Treasures Development Corporation, and Director and President of La Bella Lifestyle Properties, Inc. She graduated with a Bachelor of Science in Commerce (magna cum laude) from Assumption Convent and earned a Master's degree in Business Administration from Kellogg School of Business, Northwestern University. Ms. Singson is a certified public accountant. She is 79 years old.

Joseph Alvin C. Tan is a portfolio manager at MBG Investment Management, Inc. Prior to joining MBG Investment Management, Inc. in 2017, he worked for over three (3) years as a portfolio manager for the Trust & Investment Services Group of Union Bank of the Philippines. At Union Bank, he oversaw the group's equity strategy, and managed US\$200 million of client portfolios and institutional mandates, investing in fixed income, equities, and private placements.

Mr. Tan is a CFA charter holder. He holds an undergraduate degree in Bachelor of Science Applied Mathematics Major in Mathematical Finance from the Ateneo de Manila University in the Philippines. He is 34 years old.

Sebastian Arsenio R. Lacson is currently the CEO of Prime Metro BMD Corporation and serves as the Senior Project Director of Prime Infrastructure Capital, Inc. He has extensive experience in the power industry having previously served as the Chief Operating Officer of Visayan Electric Company, the country's second largest electric utility company. Mr. Lacson also formerly held the positions of First Vice President of Aboitiz Equity Ventures, Investment Manager for the Asia Pacific Region of Union Fenosa Internacional and Country Managing Director of Euro Pacific Holdings. He graduated with a BA in Interdisciplinary Studies from the Ateneo de Manila University and received a master's degree in Business Administration and Economics from the IESE Business School in Barcelona, Spain. Mr. Lacson is 52 years old.

Edson Byron K. Sy is one of the Founding Partners of Kua Sy & Yeung Law Offices. He was previously a Senior Associate at Angara, Abello Concepcion Regala & Cruz Law Offices (ACCRALAW) working in the Corporate and Special Projects Department where he assisted in the formation, and incorporation of various businesses, preparation and review of contracts and agreements, and provided legal due diligence work and compliance with government agencies.

Mr. Sy holds an undergraduate degree in Bachelor of Science in Management, Legal Management from the Ateneo de Manila University, and a Juris Doctor degree from the Ateneo de Manila University School of Law. He is 34 years old.

Jose Ramon R. Garcia has been a director of the Fund since 2020. Mr. Garcia is the President of Rayomar Management, Inc. and has been involved with various companies in the trading and logistics industry for over 15 years. During this time, he helped found six (6) companies involved in value added logistics operations under Rayomar Group. He has extensive international experience and has assisted in setting up logistics programs and multi-modal transport solutions for local and multinational companies.

Mr. Garcia has been a regular resource for the Philippine Trade Training Center (PTTC) and the Philippine Shippers Bureau (PSB), on logistics and international trade topics. He was also instrumental in founding e-2-door.com, described by Intelligent Enterprise Asia (Jan-Feb 2001) as the Philippines' first B2B-retail procurement portal.

He graduated with a BA in Philosophy and Letters, and a BS in Commerce Major in Marketing Management from De La Salle University of Manila and a master's degree in International Business from St. Mary's College in California, USA. He is 61 years old.

Paul Patrick M. Carague has been an independent director of the Fund since inception. Mr. Carague is concurrently Founder and President for HopplerPro and Owner and President of MetroChoice. He was Chief Financial Officer of the Century Destinations and Lifestyle Corp., Chief Operating Officer of the Cullinan Group, Inc., First Vice President of Union Bank of the Philippines, Senior Director at Freddie Mac (United States of America), Group Manager / Director of Capital One (United States of America), Manage and Head of Business Analysis at US Airways, and Equity Research Analyst at DBP-Daiwa Securities Philippines. He graduated with a Bachelor of Arts in Management Economics from the Ateneo de Manila University and a Master's degree in Business Administration from the J.L. Kellogg Graduate School of Management. Mr. Carague is 52 years old.

Dennie T. Daniolco is the Accounting and Compliance Officer of the Fund. Prior to joining the company, she worked as an Associate Auditor for SGV & Co., an affiliate of Ernst & Young. At SGV, under Financial Service Operations, she was involved in the audit of banks and fintech companies, and publicly listed entities. Ms. Daniolco is 24 years old.

Gerardo Maximo V. Francisco has been the Corporate Secretary of MBG IMI since inception. He is concurrently the Corporate Secretary of the Fund and Partner at Mata-Perez & Francisco. He was previously Partner and Senior Associate at Salvador & Associates. He was Partner at Batuhan Blando Concepcion & Francisco, and Associate at SyCip Salazar Hernandez & Gatmaitan. He graduated with a Bachelor of Science degree in Legal Management from the Ateneo de Manila University. He also graduated from the Ateneo de Manila School of Law and earned a Master of Laws degree from the Columbia University School of Law. He is 53 years old.

Officers and Directors of the Investment Company Adviser (MBG IMI)

Joseph Alvin C. Tan is a portfolio manager at MBG Investment Management, Inc. Prior to joining MBG Investment Management, Inc. in 2017, he worked for over three (3) years as a portfolio manager for the Trust & Investment Services Group of Union Bank of the Philippines. At Union Bank, he oversaw the group's equity strategy, and managed US\$200 million of client portfolios and institutional mandates, investing in fixed income, equities, and private placements.

Mr. Tan is a CFA charter holder. He holds an undergraduate degree in Bachelor of Science Applied

Mathematics Major in Mathematical Finance from the Ateneo de Manila University in the Philippines. He is 34 years old.

Michael Jack B. Garcia is the founder and Chairman of MBG Capital, Inc. and Chairman of its wholly-owned subsidiary, MBG Investment Management, Inc. Prior to that, he was the Head and Chief Investment Officer of the Trust & Investments Services Group of Union Bank of the Philippines from 2006 to 2011 and Trust Centre Head of the International Exchange Bank from 2002 until its acquisition by Union Bank in 2006.

As Head of Union Bank Trust, Michael oversaw US\$1 billion of assets under management, consisting of portfolios of high-net-worth clients, institutional mandates, and retail common investment schemes with holdings in various asset classes. He launched and managed from March 2005 to July 2011 the Union Bank Large Capitalization Philippine Equity Portfolio (Bloomberg: IFDLCPE PM Equity), the top performing equity fund in the Philippines during this period. He also launched and managed from January 2004 to July 2011 the Union Bank Philippine Peso Bond Portfolio (Bloomberg: IFDPPBP PM Equity), which garnered a Lipper Award in 2010 under the category Best Medium-Term Philippine Peso Bond Fund.

Mr. Garcia is a CFA charter-holder. He holds an undergraduate degree in Bachelor of Arts Management Economics from the Ateneo de Manila University in the Philippines, and a master's degree in Business Administration from the IESE Business School in Barcelona, Spain. He is 52 years old.

Jose Ramon R. Garcia has been a director of MBG IMI since inception. Mr. Garcia is the President of Rayomar Management, Inc. and has been involved with various companies in the trading and logistics industry for over 15 years. During this time, he helped found six (6) companies involved in value added logistics operations under Rayomar Group. He has extensive international experience and has assisted in setting up logistics programs and multi-modal transport solutions for local and multinational companies.

Mr. Garcia has been a regular resource for the Philippine Trade Training Center (PTTC) and the Philippine Shippers Bureau (PSB), on logistics and international trade topics. He was also instrumental in founding e-2-door.com, described by Intelligent Enterprise Asia (Jan-Feb 2001) as the Philippines' first B2B-retail procurement portal.

He graduated with a BA in Philosophy and Letters, and a BS in Commerce Major in Marketing Management from De La Salle University of Manila and a master's degree in International Business from St. Mary's College in California, USA. He is 61 years old.

Sebastian Arsenio R. Lacson is currently the Treasurer of MBG IMI. He is the CEO of Prime Metro BMD Corporation and serves as the Senior Project Director of Prime Infrastructure Capital, Inc. He has extensive experience in the power industry having previously served as the Chief Operating Officer of Visayan Electric Company, the country's second largest electric utility company. Mr. Lacson also formerly held the positions of First Vice President of Aboitiz Equity Ventures, Investment Manager for the Asia Pacific Region of Union Fenosa Internacional and Country Managing Director of Euro Pacific Holdings.

He graduated with a BA in Interdisciplinary Studies from the Ateneo de Manila University and received a master's degree in Business Administration and Economics from the IESE Business School in Barcelona, Spain. Mr. Lacson is 52 years old.

Godofredo Abdullah R. Aquino has been a director of MBG IMI since 2018. He is the Business and Corporate Development Strategy Director of Philippine Equity Partners, Inc. He previously worked for Maybank ATR KIM ENG Securities as the Executive Vice President from 2013 to 2017 and led its Institutional Sales Group to become the top broker in terms of transaction value in the Philippine Stock Exchange. He also formerly served as the Vice President of ATR KIM ENG Securities for 15 years before Maybank's acquisition of ATR KIM ENG. He graduated with a degree in BS Management from the Ateneo de Manila University. He is 57 years old.

Dennie T. Daniolco is the Compliance Officer of MBG IMI. Prior to joining the company, she worked as an

Associate Auditor for SGV & Co., an affiliate of Ernst & Young. At SGV, under Financial Service Operations, she was involved in the audit of banks and fintech companies, and publicly listed entities. She holds an undergraduate degree in BS Accountancy from New Era University. She is 24 years old.

Gerardo Maximo V. Francisco has been the Corporate Secretary of MBG IMI since inception. He is concurrently the Corporate Secretary of the Fund and Partner at Mata-Perez & Francisco. He was previously Partner and Senior Associate at Salvador & Associates. He was Partner at Batuhan Blando Concepcion & Francisco, and Associate at SyCip Salazar Hernandez & Gatmaitan. He graduated with a Bachelor of Science degree in Legal Management from the Ateneo de Manila University. He also graduated from the Ateneo de Manila School of Law and earned a Master of Laws degree from the Columbia University School of Law. He is 53 years old.

Significant Employees

There is no “significant employee” as defined in Part IV (A) (s) of SRC Rule 12 (i.e., any person who is not an executive officer of the corporation but who is expected to make a significant contribution to the business)

Family Relationship

Ma. Angeles R. Garcia is the wife of Michael Jack B. Garcia and the sister of Jose Ramon R. Garcia. All other directors and officers are not related up to the 4th civil degree either by consanguinity or affinity. There are no other family relationships known to the registrant other than the ones disclosed herein.

Involvement in Certain Legal Proceedings

In the last five (5) years none of the directors or executive officers of the fund and the fund manager have been involved in any legal proceedings (bankruptcy petition, conviction by final judgment, domestic or foreign criminal proceeding, being subject to any order, judgment or decree, or violation of a securities, banking or commodities law etc.) which might lead to an evaluation of their ability or integrity to serve.

Compliance with Leading Practices on Corporate Governance

The Board reviews and updates its Manual on Corporate Governance (“Manual”) at least annually to ensure that it is kept abreast of global leading practices and principles on good corporate governance. To measure or determine the level of compliance of the Board and Management with the Manual, the Compliance Officer is empowered to: a) Monitor compliance by the Company with this Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation; b) Appear before the Commission when summoned in relation to compliance with this Manual; and c) Issue a certification every January 30th year on the extent of the Company’s compliance with this Manual for the completed year and, if there are any deviations, explain the reason for such deviation. Furthermore, the directors accomplish a Board Effectiveness Questionnaire annually to determine their level of compliance, as well as top management’s. There have been no deviations from the manual.

To ensure compliance with all other laws and regulations, our management team and compliance officer continuously monitor and assess the operations and performance of the Fund. They also regularly check the news and announcements of relevant government entities to make sure that the Fund will comply with any new requirements.

The company will disclose and submit to the Commission all relevant information on its corporate governance policies and practices in its Annual Corporate Governance Report (ACGR), and continuously update and post the same on its company website. Should there be any deviation from the company’s Manual of Corporate

Governance, it shall include a disclosure of the name and position of the person/s involved, and the sanctions imposed on the said individual.

The Fund is committed to continuously improving its corporate governance practices to ensure effective oversight of the Board and Investment Adviser actions. The Fund plans on an ongoing basis to enhance its corporate governance procedures and controls, including regular reviews of its governance framework and adopting best practices in the industry, and to effectively monitor the actions of the Board and of the Investment Adviser. To ensure compliance with all other laws and regulations, our management team and compliance officer continuously monitor and assess the operations and performance of the Fund. They also regularly check the news and announcements of relevant government entities to make sure that the Fund will comply with any new requirements.

Executive Compensation

Name & Principal Position of the executive officer	Year	Salary (including Fee and Per diem Allowance of Directors)	Bonus	Other Annual Compensation
Joseph Alvin C. Tan Sebastian R. Lacson Gary Francisco President Treasurer Corporate Secretary	2023 (est)	Php 60,000	-	-
Michael B. Garcia Sebastian R. Lacson Gary Francisco President Treasurer Corporate Secretary	2022	Php 60,000	-	-
Evelyn R. Singson Sebastian R. Lacson Gary Francisco President Treasurer Corporate Secretary	2021	Php 60,000	-	-
All Directors as a Group	2023 (est)	Php 120,000	-	-
	2022	Php 120,000	-	-
	2021	Php 120,000	-	-

There is no employment contract between the Fund and directors and executive officer. There is no compensatory plan or arrangement, including payments to be received from the Fund, with respect to directors and executive officers in the event of resignation, retirement, or any other termination of such officer's employment with the Fund.

The Fund's executive officers and directors each receive a per diem of PHP 20,000 per annual board meeting attended. The directors are not entitled to any other form of compensation. All remuneration is paid out by the fund and may be adjusted by existing fund levels and other factors.

Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners as of 12/31/2022
(More than 5% as of 12/31/2022)

Title of Class	Name & Address of Record Owner & Relationship with the Fund	Name of Beneficial Owner and Relationship with Record Owner	Number of Shares Held	Percent of Class	Citizenship

Common	Unionbank Trust and Investments Group. For Account of Clients 23F Unionbank Plaza cor. Onyx and Sapphire Roads, Ortigas Center, Pasig City, Philippines	Various	1,000,000	65.77%	Filipino
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Security Ownership of Management as of 12/31/2022

Title of Class	Name & Address of Record/Beneficial Owner	Nature of Beneficial Ownership	Number of Shares Held	Percent of Class	Citizenship
Common	Evelyn R. Singson 2004 B West Tower, PSE Center, Exchange Road, Pasig City	Direct/Nominal	50	0.0000%	Filipino
Common	Paul Patrick M. Carague 229 Cuenca Street, Ayala Alabang Village Muntinlupa City	Direct/Nominal	50	0.0000%	Filipino
Common	Joseph Alvin C. Tan Unit 3018, Lerato Tower 2, Malugay St., Brgy. Bel-air, Makati City	Direct/Nominal	1	0.0000%	Filipino
Common	Edson Byron K. Sy 16 CBM Townhomes Inaman St., SFDM, Quezon City	Nominal	1	0.0000%	Filipino
Common	Jose Ramon R. Garcia 69 San Rafael St. Ayala Alabang Village, Muntinlupa City	Nominal	1	0.0000%	Filipino
	Euney Marie M. Perez 141 Rizal cor. Mabini St. Ayala Southvale Village, Bacoor Cavite	Nominal	1	0.0000%	Filipino

Voting Trust Holders of 5% or More

No holder of five percent (5%) or more of the Fund's shares has a voting trust of similar agreements that vests voting rights or other powers to a voting trustee.

Changes in Control

There has been no change in control of the Fund since the beginning of the last fiscal year. There is no arrangement which may result in a change in control of the registrant.

Certain Relationships and Related Transactions

Related party relationship exists when the party has the ability to control, directly or indirectly, through one (1) or more intermediaries, or exercise significant influence over the other party in making financial and operating

decisions. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

Based on this, the Fund has identified one party to which it has related party transactions with, MBG Investment Management, Inc. (MBG IMI). As Investment Manager of the Fund, MBG IMI is entitled to the following, pursuant to the Management, Distribution and Administration Agreement:

- a. Annual management fee of 1.00% of the average daily NAV of the Fund. Average daily NAV shall be determined by computing the total value of the Fund's assets less its liabilities; MBG IMI shall also be paid a service fee equivalent to 100 basis points (1.00%) of the NAVPS of the Fund.
- b. Annual incentive fee of 10.00% of gains above the high-water mark per share of the Fund. The high-water mark per share is the greater of (i) the subscription price of the relevant shares and (ii) the highest previous NAV of the shares at the end of any previous fiscal year; and
- c. Administration fee of 0.25% based on the NAV of the Fund.

The management agreement has been determined to be fair and at arm's length, with full consideration of all parties involved. The fees and compensation offered were evaluated by the BOD and were deemed to be in line with industry standards and commensurate with the services to be provided.

There are no other ongoing contracts or commitments as a result of the arrangement aside from the aforementioned management agreement.

Aside from MBG IMI, the Fund does not have any agreements with related parties and other parties that fall outside the definition of related parties but with whom the registrant or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

Moreover, there is no significant employee who is expected by the Fund to make a significant contribution to the business. There are no employment contracts, termination of employment and change-in-control arrangements between the Fund and its directors and officers. There are no compensatory plans or arrangements between the Fund and any of its executive officers.

There are also no material transactions with or involving the Fund or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of the total outstanding shares, and any member of their immediate family had or is to have a direct or indirect material interest.

There are no transactions during the last two (2) years or proposed transactions, to which the Fund was or is to be a party in which any of the Fund's directors, executive officers or stockholders had or is to have a direct or indirect material interest.

There are no transactions by any security holder named in response to Part IV, paragraph C of Securities Regulation Code.

There are no transactions with promoters and there are no transactions that involve the nature and amount of anything of value (including money, property, contracts, options, or rights of any kind) received or to be received by each promoter, directly or indirectly, from the Issuer and the nature and amount of any assets.

Involvement of Management or Directors in Companies with which the Fund will be Dealing

Jose Ramon R. Garcia is a Director of the Fund and the Investment Manager, Sebastian Arsenio R. Lacson is the Treasurer of the Fund and a Director of the Investment Manager and Dennie T. Danielco is the Compliance Officer of both the Fund Manager and the Fund.

	MBG EIFI	Involvement in MBG IMI
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Jose Ramon R. Garcia	Director	Treasurer
Sebastian Arsenio R. Lacson	Treasurer	Director
Dennie T. Daniolco	Compliance Officer	Compliance Officer

Other than these interlocking directors and officers, management and members of the Board of Directors of the Fund are not involved in any companies that the Fund deals with.

There has been no material transaction during the year nor is there any material transaction currently proposed to which the Fund was, or is a party, or in which any director or executive officer of the Fund, any nominee for election, any owner of more than five (5%) percent of the Fund's voting shares, or any member of the immediate family of any such director or officer, had or is to have a direct or indirect material interest.

There are no services or other consideration received or to be received by the Fund. There are no transactions as to any assets acquired or to be acquired from a promoter.

Summary of Principal Agreements

The following is a summary of the material terms of the principal agreements related to the business of the Fund and should not be considered as a full statement of the terms and provisions of such agreement. Accordingly, the following summary is qualified by reference to each agreement and is subject to the full text of each agreement.

Management, Distribution, and Administration Agreement

Under this agreement, MBG IMI was appointed as the Investment Manager, Principal Distributor and Administrator of the Fund. Under the agreement, the services of the MBG IMI shall include the following:

1. Investment and reinvestment of the resources of the Fund in accordance with the investment policies and guidelines set by the Fund's Board of Directors in conformity with the Fund's Prospectus, the ICA and other applicable laws and regulations.
2. Preparation and submission of such information and data relating to economic conditions, industries, business, corporations, or securities as may be reasonably required by the Fund's Board of Directors or as the MBG IMI may deem to be necessary in formulating and evaluating its investment policies or guidelines;
3. Coordination of the activities of, and extension of all necessary cooperation or assistance to the Fund's Custodian Bank, the Transfer Agent, the auditors, and the legal counsel without prejudice to the direct responsibility of such firms to the Fund;
4. Preparation of such reports, circulars, notices, and other information on internal corporate affairs that may be required, from time to time, by the Fund, its stockholders, Board of Directors, and/or officers, which shall include a monthly report on:
 - a. Revenues and disbursements broken down as to investments and expenses;
 - b. Sales and redemptions; and
 - c. Performance, changes in or status of the Fund's assets;
5. Representation with Government offices, instrumentalities and agencies, including all work required in registering the Fund's securities, obtaining proper licenses and permits, complying with other legal requirements including those requirements relevant to the MBG IMI's own operations, and submitting regular reports to various government agencies;
6. Accounting, bookkeeping, clerical and other administrative services in the ordinary conduct of the

Fund's activities, other than those services provided by the Custodian Bank, the auditors, and the legal counsel;

7. Transactions with fixed income securities dealers and equity stockbrokers for the account of the Fund in connection with the MBG IMI's investment and reinvestment of the Fund's assets;
8. Provide office space and other administrative facilities; and
9. Distribution of the shares of the Fund.

For its services, MBG IMI will be paid a Management Fee equivalent to 100 basis points (1.00%) per annum of the NAV of the Fund. MBG IMI shall also be paid a service fee equivalent to 100 basis points (1.00%) of the NAVPS of the Fund. MBG IMI shall also be paid an Administration Fee equivalent to $\frac{25}{100}$ percent (0.25%) per annum based on the NAVPS of the Fund. Fees are exclusive of VAT and shall be computed and are deemed to accrue on a daily basis.

MBG IMI shall likewise be paid an annual incentive fee of 10% of gains above the High Water Mark (HWM) per share of the Fund plus VAT. This fee is designed to align the interests of the Fund's investment manager, MBG IMI, with those of its investors to encourage superior fund performance. All fees and expenses (except the Performance Fee) that have been accrued or paid (but not previously accrued) for a given period are deducted prior to calculating the Performance Fees for such period, including, without limitation, the Management Fee.

The HWM represents the highest historical Net Asset Value (NAV) per share achieved by the Fund and helps investors avoid paying the performance fee twice for the same return after a previous loss. The HWM is recalculated annually to account for the Fund's performance over the past year. The incentive fee is applicable only when the NAV per share exceeds this HWM.

To illustrate the calculation of the incentive fee with a simple, hypothetical scenario:

Assuming the Fund's Net Asset Value per share stands at ₱100 at the commencement of the performance period and the HWM per share is also ₱100. At the end of the performance period, the NAVPS (after deducting all other fees and expenses) before incentive fees appreciated to ₱110, reflecting a ₱10 increase in NAVPS.

The incentive fee is determined as follows:

1. Gain Calculation: The gain is derived from the difference between the ending NAVPS and the HWM.

$$\text{Gain} = \text{Ending NAVPS} - \text{HWM} = \text{₱110} - \text{₱100} = \text{₱10}$$

2. Incentive Fee Calculation: The incentive fee is then computed as 10% of the gains above the High Water Mark per share, plus VAT.

$$\begin{aligned} \text{Incentive Fee} &= \text{Gain} \times \text{Incentive Fee Rate} + \text{VAT} \\ &= \text{₱10} \times .10 + \text{VAT} \\ &= \text{₱1} + \text{VAT} \end{aligned}$$

Following this hypothetical scenario, the new HWM for the next year would be ₱110.

In addition, MBG IMI shall receive sales fees as follows, the Principal Distributor may charge a sales load or processing fee of 1% of the subscription amount, but subject to a minimum Five hundred (PHP 500.00) plus

VAT.

The above sales fees shall be charged on top of each investment, with the fees subject to VAT. MBG IMI shall appoint eligible SEC Certified Investment Solicitors to distribute for sale the shares of the Fund.

The Fund will pay or reimburse MBG IMI for all costs and expenses associated with the Fund's operations and with regards to its establishment, organizational and offering expenses. The Fund will be responsible for all of the necessary expenses of its operation, including, without limitation, the Fund's annual fees due to regulatory authorities, brokerage commissions, research expenses, quotation and news service expenses, information technology hardware, software and service expenses, legal and auditing expenses, accounting, fund administration, fees and charges of custodians, investment related consultants and other service provider expenses, investment related travel costs, expenses incurred with respect to the preparation, duplication and distribution to shareholders of Fund documents, reports and other financial information and similar ongoing operational expenses. The Fund will reimburse duly appointed service providers and any affiliate retained by MBG IMI for all out-of-pocket expenses incurred on behalf of the Fund.

MBG IMI may, in its discretion, effectively waive all or part of its fees with respect to any investor by rebate or otherwise.

Custody Agreement

Under the agreement, the Custodian Bank shall receive, safe keep, record, and account for the proceeds of the sale of the shares of stock of the Fund. The Custodian Bank shall, likewise, hold all the certificates representing the investments made by the Investment Manager in behalf of the Fund in accordance with the regulations of the SEC.

Fund Accounting Services Agreement

Under the agreement, the Independent NAV Accountant shall provide accounting services necessary for the operation of the Funds. This includes maintenance of accounting records, including all journals, the general ledger and other records of original entry relating to the business of the Fund, in accordance with the Investment Company Act of 1960, as amended, and such other rules and regulations as may be applicable.

Transfer Agent Agreement

Under the agreement, the Stock Transfer Agent shall render the following services:

1. File the reports pertaining to the Fund as may be required by SEC and other government entities;
2. Prepare the list of stockholders for all regular or special meetings of the Fund's stockholders;
3. Prepare and mail out all notices, reports, and circulars to all stockholders upon prior request of the Fund or Investment Manager;
4. Prepare and mail dividend checks;
5. Prepare and issue stock certificates; and
6. Register all liens constituted on the shares of stock of the Fund.
7. Take possession and safeguarding copies of the Fund's significant records
8. Maintaining the registry books of the fund

External Auditor Agreement

Under the agreement, the external auditor shall provide the following service:

1. Conduct the audit in accordance with Philippine Standards on Auditing ("PSAs"), as promulgated by the Auditing and Assurance Standards Council.
2. Obtain reasonable assurance about whether the financial statements as a whole are free from material

misstatement, whether due to fraud or error, and to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Fund in accordance with Philippine Financial Reporting Standards (“PFRSs”).

3. Communicate observations, as to the potential for economies in, or improved controls over the Fund’s operations and communicates in writing significant deficiencies in internal control identified during the audit of the Fund’s financial statements.

Legal Counsel Agreement

Under the agreement, the Legal Counsel shall provide the following services:

1. Review of the contracts and transactions of the Corporation.
2. If necessary, meet with officers of the Corporation to discuss the request
3. Study of relevant laws and regulations with respect to the foregoing; and
4. Issuance of a legal and tax opinion.
5. Other legal services as requested by the Fund.

Instruments or Statements Defining the Rights of Security Holders

There are no instruments defining the rights of security holders, including indentures as well as any documents or statements to security holders.

Taxation

The MBG Equity Investment Fund, Inc.

1. Twenty-five percent (25%) corporate income tax on taxable income derived from all sources within and without the Philippines;
2. Final withholding tax of 20% on gross interest from Philippine currency bank deposits and yield from deposit substitutes, trust funds and similar arrangement;
3. Six-tenths of one percent (6/10 of 1%) stock transaction tax every time investments by the MBG Equity Investment Fund, Inc. in shares of stock of publicly listed companies are sold on the Philippine Stock Exchange.

Shareholder

1. Tax on cash dividends received from the Fund by:
 - a. Domestic corporations and resident foreign corporation: None.
 - b. Individual citizen and individual resident alien: 10%
2. Documentary stamp tax on the issuance of shares by the MBG Equity Investment Fund, Inc. at the rate of:
 - a. Two Philippine Peso (Php2.00) for every Two Hundred Pesos (Php200.00) of par value for primary sales offerings; and
 - b. One Philippine Peso and Fifty Centavos (Php1.50) for every Two Hundred Pesos (Php200.00) of par value for secondary sales offerings.

Investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding, and redeeming shares of the Fund. Tax related laws, rules, and regulations are factors that are subject to rapid change, and which could detrimentally affect the performance of the Fund.

Audit and Audit-Related Fees

For the years ended 2022, 2021, 2020 and 2019, the audit fees for Audit services amount to Php250,000, exclusive of 12% value-added tax (VAT) and 10% out-of-pocket expenses (OPE). Schedule of performance and payment are outlined in the table below.

	Fees	OPE	VAT	Total
Upon acceptance of this agreement	₱125,000	₱12,500	₱16,500	₱154,000
Upon release of auditor's report	125,000	12,500	16,500	154,000
Total	₱250,000	₱25,000	₱33,000	₱308,000

Tax Fees

There are no professional services rendered by the external auditor for the last two fiscal years for tax accounting, compliance advice, planning and any other form of tax services.

All Other Fees

There are no other fees billed by the external auditor for any other products and services for the last two fiscal years.

The Audit Committee pre-approves all audit plans, fees and billings scope and frequency before the start of the external audit. The Audit Committee, together with the Board of Directors, reviews the financial statements before such statements are approved and submitted to the stockholders of the Company.

INDEX TO EXHIBITS

- Signed Custody Agreement between MBG Equity Investment Fund, Inc., and Standard Chartered Bank
- Signed Fund Accounting Services Agreement between MBG Investment Management Inc. and Idein Services and Consulting, Inc.
- Signed Management, Distribution, and Administration Agreement between MBG Equity Investment Fund, Inc. and MBG Investment Management, Inc.
- Signed Transfer and Dividend Paying Agency Agreement between MBG Equity Investment Fund, Inc. and MBG Investment Management, Inc.
- Signed Audit Agreement between MBG Equity Investment Fund, Inc., and SyCip Gorres Velayo & Company

