

Fund Manager's Report

For the month of March, shares are down to 83.08 (down 2% MoM), underperforming the PSEi TR which gained 4.5% MoM.

Economic indicators suggest a resilient labor market, with non-farm payrolls up 275,000 in February. At its last policy meeting, the US central bank kept its overnight lending rate at 5.25-5.5% and penciled in three anticipated rate cuts for 2024, with the first expected in June 2024. In the Philippines, despite a slight correction in March, the PSEi delivered an impressive 7% return in 1Q24, underpinned by improved investor sentiment and favorable economic data. Net foreign portfolio inflows reached a 7-month high of USD 689.3m in Feb. The Philippine government has revised its GDP growth target to 6-7% for 2024, while the World Bank projects a growth of 5.8%—making it potentially the fastest growing economy in SEA this year. Infrastructure spending and resilient domestic demand are key contributors to the rosy outlook. Cash remittances grew 2.7% in Jan, supporting household spending amidst high prices. Additionally, new vehicle sales surged 23.2% YoY to 38,072 units in Feb. However, inflation continues to remain a subject of concern, increasing 3.7% in Mar (vs 3.4% in Feb), driven by higher food prices and transportation costs. Sticky inflation is seen as a hindrance to the BSP adopting aggressive rate cuts. Meanwhile, manufacturing activity remained broadly unchanged at 50.9 (vs 51 in Feb), with firms acknowledging softer demand and material shortages hampering capacity.

Our banking and real estate conglomerate showed impressive results for FY2023, achieving a 31% YoY increase in revenue and a 58% boost in net income. Positive contributions were observed across all business units, with its banking division leading the profit share with a 31% increase in net income, driven by robust growth in consumer loans and robust deposit inflows. Meanwhile, our energy holding company reported strong returns for 2023, with net profits up 19% to 15.1 bn, driven by stronger operational results of its power and real estate segments. Our consumer and real estate conglomerate posted 20% growth in net income despite challenges in its spirits business. Its fast food chain delivered strong results with SSSG at 15% and system wide sales at 22% growth. Its real estate arm also delivered promising results, supported by strong real estate sales and sharp recovery in its mall and hotel business at 54% and 46% respectively.

Nevertheless, challenges were faced by some sectors. Our indirect media exposure incurred significant losses, primarily due to asset write-downs amid challenging times. Of the total 11bn in recorded losses, 9bn was related to write-offs. Similarly, our mining company faced hurdles, with a notable -54% growth in net income. Despite these setbacks, the company remains optimistic about its prospects, particularly buoyed by recent closures of its competitors and the upward trend in nickel prices. Nickel prices have risen from their near 16k low in November to 18k today, partly due to reduced supply as many miners are not profitable at those levels. Encouragingly, our company has managed to break even under these conditions, instilling confidence that they will endure and emerge even stronger.

This year brings another round of volatility, with inflation pressures exacerbated by geopolitical situations. Central Banks may be forced to hold-off on anticipated rate cuts, potentially leading to higher rates for longer.

MBG Equity Investment Fund, Inc.

Performance MBG Equity Investment Fund, Inc. (MBG EIFI), net of all fees (in PHP)

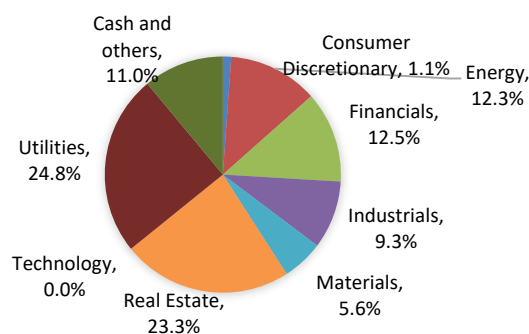
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
MBG EIFI	-0.7%	-2.0%	-1.5%										-4.2%
PSEi TR ¹	3.0%	4.5%	0.3%										8.0%

¹ Philippine Stock Exchange Index Total Return;

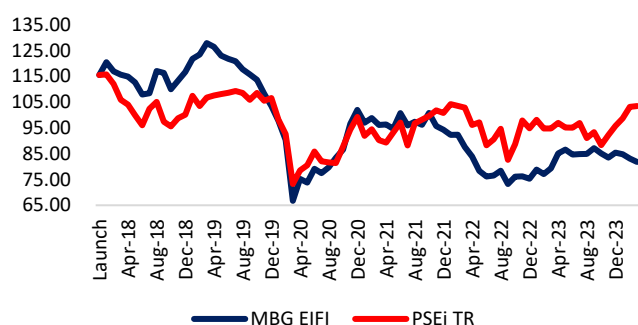
Portfolio Characteristics

	MBGEIFI	PSEi TR
Volatility (3σ, 1-day)	+/- 1.8%	+/- 2.4%
Correlation to PSEi	0.14	1.0
Beta	0.10	1.0
Stock holdings	89.0%	100.0%
Large cap (> \$3bln)	0.0%	96.9%
Mid cap (\$500mln to \$3bln)	88.2%	3.1%
Small cap (< \$500mln)	11.8%	0.0%
Philippines allocation	100.0%	100.0%
Vietnam allocation	Nil	Nil

Sector Allocation



MBG EIFI Performance vs. Benchmark (in PHP)



*Rescaled to 115.46 on 8 January 2018 (NAV of fund at launch date)

Class A Fund Statistics, since launch (08Jan18)

(net of all fees)	MBG EIFI	PSEi TR
Year-to-date	-4.2%	8.0%
3 months	-4.2%	8.0%
6 months	-6.1%	10.9%
1 year	3.1%	9.2%
Launch (cumulative)	-29.2%	-10.4%
Launch (annualized)	-5.4%	-1.7%
Months with gains	44.0%	56.0%
Volatility of returns p.a.	9.2%	12.6%
1-yr Sharpe ratio (RFR 6%)	n.a.	0.41

MBG Equity Investment Fund, Inc.

Fund Information

Launch date	January 8, 2018
Management fee	2%
Performance fee	10% with High Water Mark
Minimum subscription	PHP 100,000
Dealing	Daily
Subscription notice	5 business days
Redemption notice	7 calendar days
Lock-up period and penalty	1 year; 5% penalty
Fund AUM	PHP 136 million
FATCA categorization/ GIIN	Registered deemed-compliant foreign financial institution under Model 1 IGA/ 6XW2RW.99999.SL.608
Investment manager	MBG Investment Management, Inc. (Licensed Investment Company Adviser) SEC C.R. No. 01-2017-00284
Custodian	Standard Chartered
Auditor	SGV & Co. (Ernst & Young Ltd)
Legal advisors	Mata-Perez & Francisco
Stock Transfer Agent	MBG Investment Management, Inc.
Fund Manager	Joseph Alvin C. Tan MBG Equity Investment Fund, Inc. info@mbgfunds.com www.mbgfunds.com Tel: +63 2 7956 7254 Fax: +63 2 7956 7065