

Fund Manager's Report

For the month of May, shares are down 1.5% to 78.79, with the PSEi TR declining 3.6% MoM.

The local bourse dropped by 4% to 6,433.1 amid a weak Peso, which hit a 17-month low of 58.53 to the dollar, and the MSCI rebalancing that resulted in an outflow of USD 121 million, dampening market sentiment. The BSP expects domestic growth to be lower than the government's initial 6-7% forecast, citing that persistent high-interest rates will likely dampen domestic demand. Core inflation for May came in at 3.1%, continuing its steady monthly decline since peaking in March 2023 at 8%, now at its lowest level in 23 months. This decline gives the BSP the room to implement a rate cut in 3Q24 despite headline inflation risks. The BSP is also expected to align with upcoming US Fed rate cuts, with about a 65% likelihood of a Fed rate cut by 3Q24. Meanwhile, March saw the slowest remittance growth at 2.5% YoY, and the unemployment rate rose to 4% in April.

Our latest addition to the portfolio is a power company, with a current generation capacity of 285MW, with a strong pipeline that could potentially grow 6.5x, to reach 1868MW by end 2025. The funds it raised in its IPO are sufficient to finance these projects, including a pipeline project to build another 2258 MW by 2028. The government's push towards renewable energy, supported by its moratorium on coal, adds to our company's edge in terms of costs relating to construction. Of the 1583 MW of new capacity, about half are already contracted. The global supply glut of solar panels presents an opportunity for countries and companies transitioning to greener power solutions.

Meanwhile, our other power company in our portfolio reported a 9% YoY decrease in 1Q24 revenue to USD 596m, attributed to lower electricity sales across most platforms, with the exception of its hydro segment. However, the recent strategic investment into one of its subsidiaries by a Japanese firm, one of the world's largest LNG purchasers with an annual volume of 13Mt, signals confidence in the long-term potential of our company's LNG project.

On another front, our government is looking to boost nickel investments through potential partnerships with the United States and Japan to bolster the sector. Despite a volatile environment which saw nickel prices plunge to a 24-month low in January, the EV sector remains a bright spot that supports continued nickel investments. The expansion of Executive Order No. 12, will provide tax breaks for two and three-wheeled battery electric vehicles, supporting the accessibility and affordability of electric and hybrid vehicles for all consumers. The trend toward electrification continues globally, with China leading the way for Asia, achieving a 50% electric car market share for new cars as of April.

MBG Equity Investment Fund, Inc.

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

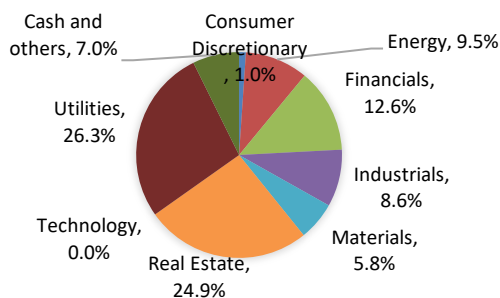
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
MBG EIFI	-0.7%	-2.0%	-1.5%	-2.2%	-1.5%								-7.8%
PSEi TR ¹	3.0%	4.5%	0.3%	-2.7%	-3.6%								1.3%

¹ Philippine Stock Exchange Index Total Return;

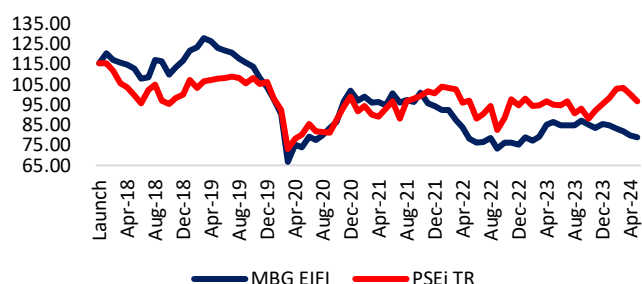
Portfolio Characteristics

	MBGEIFI	PSEi TR
Volatility (3σ, 1-day)	+/- 1.8%	+/- 2.5%
Correlation to PSEi	0.16	1.0
Beta	0.12	1.0
Stock holdings	93.0%	100.0%
Large cap (> \$3bln)	0.0%	96.7%
Mid cap (\$500mln to \$3bln)	85.2%	3.3%
Small cap (< \$500mln)	10.3%	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	-7.8%	1.3%
3 months	-5.2%	-5.9%
6 months	-5.6%	5.2%
1 year	-9.0%	2.0%
Launch (cumulative)	-31.8%	-16.2%
Launch (annualized)	-5.8%	-2.7%
Months with gains	42.9%	53.2%
Volatility of returns p.a.	9.5%	13.4%
1-yr Sharpe ratio (RFR 6%)	n.a.	n.a.

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 133 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