

Fund Manager's Report

For the month of July, shares are down 2.2% to 75.30, with the PSEi TR was up 3.3% MoM.

The U.S. Fed maintained its key interest rates despite a series of lackluster economic data, including a weaker-than-expected July jobs report indicating slowed payroll growth and an uptick in the unemployment rate to 4.3%. This may prompt the Fed to cut rates more aggressively at its upcoming September meeting, following criticism for delaying rate cuts.

On July 22, President Marcos delivered his 2024 State of the Nation Address (SONA), outlining his administration's key priorities including: 1) ongoing agricultural programs to reduce food prices, 2) proposed changes to the power sector law (EPIRA), 3) healthcare initiatives, and 4) the continued implementation of infrastructure projects. The most significant announcement, however, was the complete and immediate ban on the POGO sector. While direct POGO exposure for listed companies is relatively low, accounting for less than 4% of office space, there are substantial indirect benefits such as residential leasing and consumption of high-end consumer goods. The area most affected by this ban is Manila Bay, where vacancy rates could surge to 50%. Although the country might seem to be losing significant tax revenue from the ban (PHP 10.32 billion in 2023), the positive effects, such as a safer environment and a reduction in scams, are expected to benefit communities in the long run. Just a day after the SONA, Metro Manila and many parts of the Philippines were placed under a state of calamity due to super typhoon Carina, which flooded cities in a manner almost comparable to typhoon Ondoy. The disaster has heightened inflation risks, with initial reports indicating that at least PHP 1.2 billion worth of agricultural products were destroyed in just two days.

According to a recent S&P Global report, increasing investment in infrastructure assets is essential for accelerating growth rates in emerging Asian economies, including the Philippines. In response, the NEDA has organized several flagship infrastructure projects. These include a new airport in Manila, a heavy rail project connecting the ports of Subic, Manila, and Batangas, and various highway projects. The infrastructure spending program is on track, with a target to invest 5-6% of GDP annually. In economic updates, cash remittances in May grew by 3.6% YoY to USD 2.58bln, marking the fastest growth in five months. Meanwhile, new vehicle sales in June rose by 7.6% YoY. The resurgence of the BPO sector, a robust manufacturing sector (PMI of 51.2 in July), a thriving domestic tourism industry, and diminishing inflation expectations are all positive indicators for the Philippines as a consumer-driven economy

Our mining company has just released its 1H24 results, reporting a 37% decline in net income compared to 1H23. However, the outlook remains positive as Q2 results are up 17% YoY, despite the challenging environment in the nickel sector, which has seen mine closure. During the period, the company sold 8.16 million WMT, a +9% increase from 1H last year, reinforcing our belief that the company's scale and lower cash costs will enable it to outlast many international competitors. On the power generation side, the company has doubled its gross profits from its energy venture, grossing Php 441 million, driven by an increase in capacity from 100 MW last year to 172 MW this year. An additional 28 MW is expected to come online this year, with a further 450 MW projected by 2026.

MBG Equity Investment Fund, Inc.

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

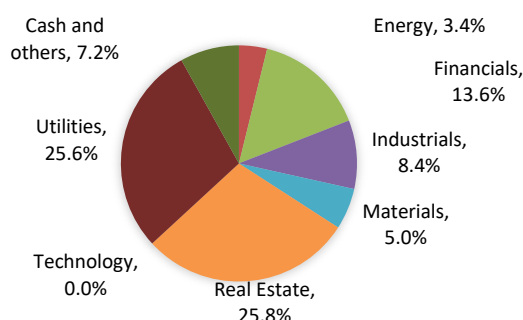
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
MBG EIFI	-0.7%	-2.0%	-1.5%	-2.2%	-1.5%	-2.2%	-2.2%						-11.8%
PSEi TR ¹	3.0%	4.5%	0.3%	-2.7%	-3.6%	-0.1%	3.3%						4.5%

¹ Philippine Stock Exchange Index Total Return;

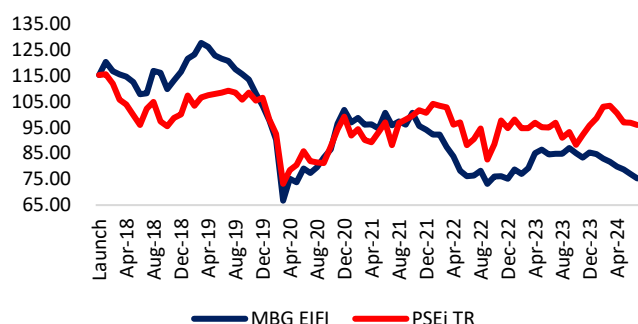
Portfolio Characteristics

	MBGEIFI	PSEi TR
Volatility (3σ, 1-day)	+/- 1.8%	+/- 2.6%
Correlation to PSEi	0.21	1.0
Beta	0.15	1.0
Stock holdings	92.8%	100.0%
Large cap (> \$3bln)	0.0%	96.2%
Mid cap (\$500mln to \$3bln)	79.2%	3.8%
Small cap (< \$500mln)	9.0%	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	-11.8%	0.4%
3 months	-5.8%	-0.6%
6 months	-11.2%	1.5%
1 year	-11.2%	3.3%
Launch (cumulative)	-34.8%	-13.3%
Launch (annualized)	-6.3%	-2.3%
Months with gains	41.8%	54.4%
Volatility of returns p.a.	9.5%	13.9%
1-yr Sharpe ratio (RFR 6%)	n.a.	n.a.

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 127 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