

Fund Manager's Report

For the month of March, shares gained 2.9% to 127.64, outperforming the PSEi which gained 2.8%. Since the Fund's inception, shares have gained 7.5%, outperforming the PSEi which lost -11.9% for the same period. This month, we saw a comeback of risk appetite as the market went to as high as +4% intra month, but global growth concerns pared the gains and PSEi closed at 7,920.93. Foreigners were net buyers amounting to US\$88m. In the meantime, inflation was at its lowest since January 2018 as it continued to exhibit a slower pace of 3.3% in March.

The cement industry painted a mixed picture as LafargeHolcim and Cemex posted negative earnings last year despite healthy sales volume. On top of that, an M&A may soon occur as LafargeHolcim looks to divest its plants in the Philippines, seeking to reduce debt. Our cement company on the other hand, was the most profitable in the industry with a net income in 2018 equivalent to 80% of combined industry profits. It remains solid with their cost and pricing strategy and a net margin in the high 20's, the highest in the industry. It further plans to grow market share and achieve double digit volume growth by increasing a total of 3.5 metric tons of capacity in Bulacan and Visayan region in the coming years. Despite its outstanding performance, earnings growth remain slow at 5 % over the past few years but we stay patient as we believe investing is sometimes like fishing, often nothing is happening, and you patiently wait until finally, the right moment comes, as you feel the bite! and so you quickly reel it in, with certainty and strength, to take advantage of the moment and get rewarded. This company has repeatedly outperformed, especially in a challenging environment.

Moreover, in Vietnam, we recently acquired an integrated real estate developer. It shows dominance in residential market with superior returns and has a large land bank that is 20x bigger than its next largest competitor. An important factor in the real estate market is how revenues are recognized. Sales may not fully reflect true earnings due to current accounting standards requiring revenue to be recognized upon completion. More than that, the market has been developing quickly over the past few years due to strong GDP growth per capita, fast developing coastal cities, rising interest among foreign buyers and eased foreign ownership regulations. In addition, Vietnam is the fastest growing economy and shows the strongest middle-income growth in Southeast Asia. In spite of these improvements, Vietnam still has significant room to run, especially in urbanization and prime residential price growth. Thus, we believe that the real estate market will continue to boom in the years to come and our company to remain strong and deliver value to its shareholders.

MBG Equity Investment Fund, Inc.

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

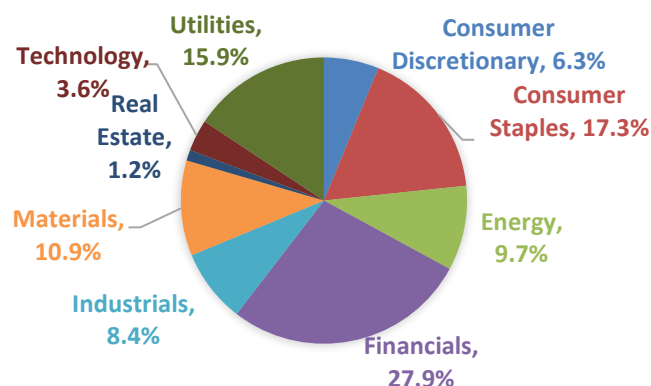
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
MBG EIFI	4.0%	2.3%	2.9%										6.4%
PSEi ¹	7.3%	-3.8%	2.8%										3.2%

¹ Philippine Stock Exchange Index (PCOMP Index);

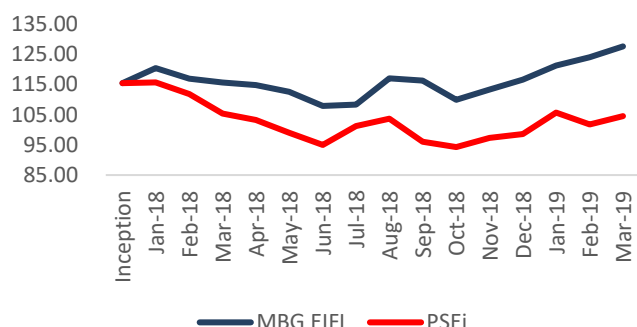
Portfolio Characteristics

	MBGEIFI	PSEi
Volatility (3σ, 1-day)	+/- 2.0%	+/- 3.0%
Correlation to PSEi	0.40	1.0
Beta	0.24	1.0
Stock holdings	88.7%	100.0%
Large cap (> \$3bln)	28.2%	90.3%
Mid cap (\$500mln to \$3bln)	48.8%	%.7
Small cap (< \$500mln)	23.0%	Nil
Philippines allocation	81.2%	100.0%
Vietnam allocation	18.8%	Nil

Sector Allocation



MBG EIFI Performance vs. Benchmark (in PHP)



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

Class A Fund Statistics, since inception (08Jan18)

(net of all fees)	MBG EIFI	PSEi
Year-to-date	9.4%	6.1%
3 months	9.4%	6.1%
6 months	9.7%	8.9%
1 year	10.4%	-0.7%
Inception (cumulative)	10.5%	-9.4%
Inception (annualized)	8.5%	-7.8%
Months with gains	53.3%	46.7%
Volatility of returns p.a.	10.4%	17.4%
1-yr Sharpe ratio (RFR 6%)	0.42	-0.39

Fund Information

Inception	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 176 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	Deutsche Bank AG
Auditor	SGV & Co. (Ernst & Young Ltd)
Legal advisors	Mata-Perez & Francisco
Stock Transfer Agent	BDO Unibank
Fund Manager	Joseph Alvin C. Tan MBG Equity Investment Fund, Inc. info@mbgfunds.com www.mbgfunds.com Tel: +63 2 956 7254 Fax: +63 2 956 7065