



Commentary

July 2012

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Objective

Malayan Traders Capital Founders Fund (“Malayan Traders”, “MTC” or the “Fund”) aims to achieve a net return of 10-15% p.a. over a 3-5 year period by investing in a portfolio of global listed equities. MTC invests predominantly in blue chip companies listed in the US and Emerging Asia and employs a value driven, bottom-up investment approach. MTC’s benchmark is the Kuala Lumpur Composite Index (“KLCI”), Singapore Straits Times Index (“STI”) and the Dow Jones Industrial Average Index (“DJI”). Performance is reported in USD.

Market Insights

In July 2012, the global financial markets have been continuing its correction of the 2012 Q1 ‘Bull Run’. The major news dominating the financial markets are the European debt crisis and the decision to bail-out Spain, the probe of the manipulation of LIBOR, and the \$5.8B trading loss by JPMorgan Chase.

Outlook

It is difficult to predict where the market will be headed in 2012 Q3. However, the correction of the market has provided a good buying opportunity for companies that earnings are minimally affected by the global macro outlook. Malayan Traders Capital’s investment philosophy remains rooted in the belief that short term forecasts are difficult to predict and as such, does not aim to generate returns based on short term market movements.

Top Five Holdings

Company	Sector
Apple	Technology
Google	Technology
Intel	Technology
Olam	Agriculture
Wilmar	Agriculture

Geographic Breakdown

	Weight %
Global	54.97
Asia	39.58
North America	5.45

NAV

Period	Unit Price
Current Month 31 Jul 2012	102.22
Inception 24 Jul 2012	100.00

Performance

Period	Portfolio %	KLCI %
Jul-12	2.22	1.49
Since Inception	2.22	1.49

Indices

Period	STI %	DJI %
Jul-12	2.71	3.10
Since Inception	2.71	3.10

Sector Breakdown

	Weight %
Technology	40.92
Agriculture	32.59
Industrial	7.10
Property	6.99
Consumer Staples	6.95
Energy	5.46



Outlook (continued)

Malayan Traders Capital believes that over the long term, earnings generated by individual companies will be reflected in share price performance. Therefore, Malayan Traders Capital remains focused on investment in companies with the ability to sustain such earnings generation over time and with the market position or operating model to achieve such success often regardless of the broader market and economic conditions.

Disclaimer

The views expressed in this report are those of Devan Linus Rajadurai, MTC's Founder & Chief Investment Officer. MTC's investment strategy is implemented by the Fund's Investment Manager, MTC Asset Management, with the support of its sister entity, MTC Asset Management (M) Sdn. Bhd. licensed by Securities Commission Malaysia (CMSL: eCMSL/A0333/2015), which provides research and operational support to MTC Asset Management. The Fund is a regulated mutual fund under the Mutual Funds Law of the Cayman Islands and is registered with the Cayman Islands Monetary Authority. This report is up-to-date as of 1 August 2016.