



Commentary

September 2012

Written by Devan Linus Rajadurai, Chief Investment Officer

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

There has been a lot of positivity in the financial news, resulting in rising valuations across major world indices. Apple, the largest company in the world by market capitalisation has just released its new iPhone, surpassing previous sales records. Its major competitor, Google, the developer of the Android operating system with 60% global market share has seen its stock price surge 30% since July.

Outlook

October is when 3Q earnings season kicks off. MTC does not attempt to predict earnings results. The portfolio consists of stocks trading at low valuations, and hence disappointment in earnings will have minimal impact in its share price performance. Every stock in the portfolio except two has a historical earnings yield of more than 5% based on current valuations.

Top Five Holdings

Company	Sector
Apple	Technology
Chipotle	Consumer Staples
Google	Technology
Olam	Agriculture
Wilmar	Agriculture

Geographic Breakdown

	Weight %
Global	49.96
Asia	38.09
North America	11.95

NAV

Period	Unit Price
Current Month 30 Sep 2012	111.15
Inception 24 Jul 2012	100.00

Performance

Period	Portfolio %	KLCI %
Sep-12	5.63	1.39
Since Inception	11.55	4.18

Indices

Period	STI %	DJI %
Sep-12	2.80	2.65
Since Inception	4.99	6.50

Sector Breakdown

	Weight %
Technology	37.45
Agriculture	31.60
Consumer Staples	13.39
Property	6.49
Industrial	6.34
Energy	4.72



Outlook (continued)

MTC is expecting a contraction in the personal consumer market as people are increasingly purchasing tablets and are holding off purchases until Windows 8 is released in October. One of the portfolio companies, Intel has already revised its earnings outlook. MTC still believes that the business segment and emerging markets will add to the long term growth of the personal computer despite these temporary setbacks.

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.