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MTC Asset Management
Meranti Fund

Commentary (Meranti Fund)

March 2026

Written by Devan Linus, Chief Investment Officer

Objective

This commentary should be read in conjunction with the MTC Founders Fund Commentary. MTC Meranti Fund ("Meranti", "MTC" or the "Fund") aims to achieve a net return of 8-12% p.a. over a 3-5 year period by investing in a portfolio of global listed equities with an approximate 30% exposure to Malaysian listed equities. Its overseas exposure is close to an exact replica of our sister fund, MTC Founders Fund ("Founders"). Besides its continuous Malaysian exposure, Meranti's investment approach is the same as the Founders Fund. Performance is reported in MYR.

Performance & Benchmark Comparison

Meranti, Founders & KLCI

Meranti has delivered a since-inception net return of 107.7% (7.8% p.a.), underperforming Founders but significantly outperforming the KLCI, which returned 161.5% (10.4% p.a.) and 1.2% (0.1% p.a.), respectively, in MYR terms. YTD in 2025, Meranti achieved a return of -7.5% (-7.2% in USD terms), this time outperforming Founders, which returned -12.0% (-11.7% in USD terms). Meanwhile, the KLCI appreciated 0.6% YTD.

Portfolio

Meranti outperformed Founders, as the Malaysian component held up better than our global portfolio. Overall, our Malaysian holdings remained relatively stable despite higher oil prices, with some stocks appreciating slightly while others declined marginally. The Ringgit was also broadly stable against the USD during the quarter. We made no changes to the Malaysian portfolio in Q1 2026.

However, our largest sector, healthcare (gloves), experienced a particularly volatile quarter. Glove stocks initially declined by approximately 20% before rebounding in March, following price increases by Chinese manufacturers in response to higher oil costs. As a result, our glove holdings ended the quarter broadly flat. The key question remains whether higher average selling prices will translate into improved earnings for Malaysian manufacturers, given that they too are facing rising input costs. As for the rest of the portfolio, there were no significant developments during the quarter. We currently have no intention to make major changes to the Malaysian portfolio, although minor top-ups may be undertaken should valuations become more attractive. We were not invested in the oil and gas sector prior to the conflict and do not intend to initiate exposure at this stage.

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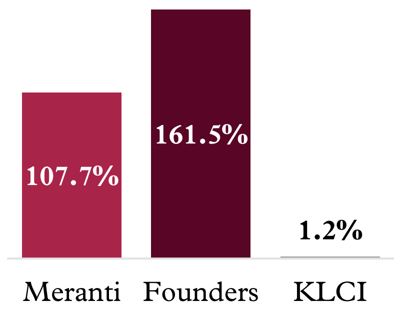
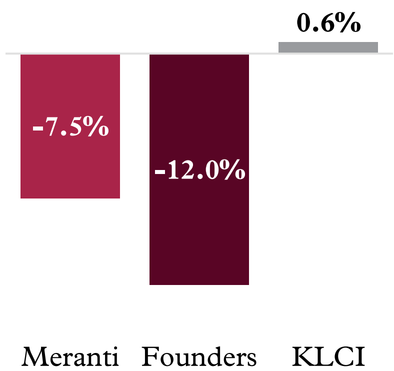
Class S:	207.65

Performance

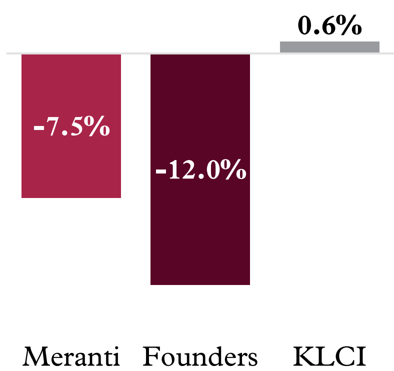
Since Inception (28 Jul 2016)



Year to Date (Mar 2026)



Quarter (Mar 2026)



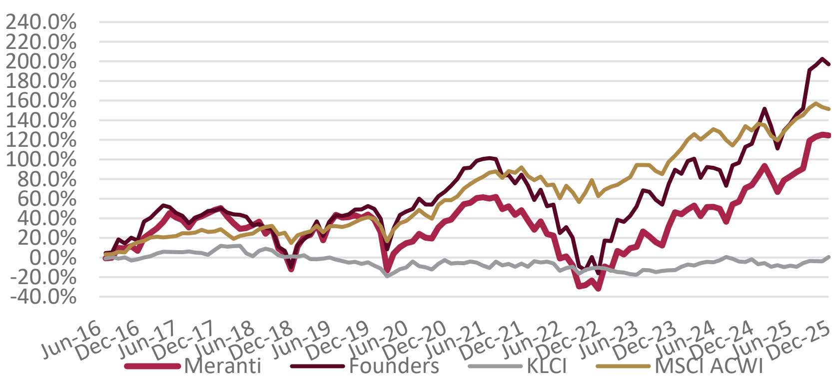
Devan Linus, Chief Investment Officer

Market Insights & Outlook

There are limited new insights on Malaysia for this quarter, as the outlook for growth and the broader economy remains largely influenced by developments in the Middle East and movements in oil prices. Despite being an oil-producing nation, Malaysia is a net importer of refined petroleum products and is therefore not immune to the impact of elevated prices. While the government continues to subsidise fuel to maintain relatively low prices for consumers, these places increasing pressure on fiscal balances if oil prices remain elevated. At the same time, higher global oil prices have begun to feed through to petrol and diesel costs, prompting the government to introduce measures such as work-from-home arrangements for civil servants to help reduce overall consumption. Should fuel subsidies be reduced or removed, this would likely impact household spending power and have broader implications for consumption across the economy. In addition, higher energy costs, particularly from rising gas prices, will increase operating expenses for businesses, especially within energy-intensive sectors such as manufacturing. Despite these uncertainties, our Malaysian portfolio remains well diversified and positioned to weather the current environment. By this, we mean that while returns may be more muted in the near term, the portfolio should remain relatively resilient. Looking ahead, we expect the global portion of our portfolio to be the primary driver of returns, where we continue to have strong conviction given its positioning in value and deep value opportunities.

Performance

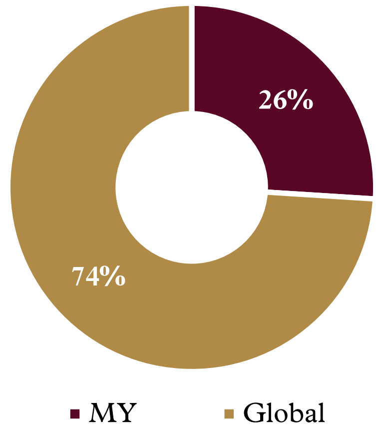
Since Inception (Jul 2016 – Mar 2026), net of fees, MYR



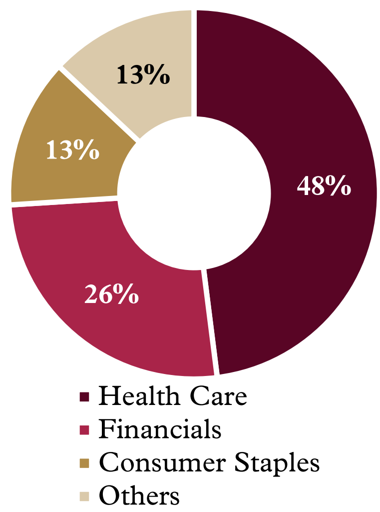
Disclaimer

The views expressed in this report are those of Devan Linus Rajadurai, MTC's Co-Founder, CEO & Chief Investment Officer. MTC's investment strategy is implemented by the Fund's Investment Manager, MTC Asset Management (M) Sdn. Bhd. licensed by Securities Commission Malaysia (CMSL: eCMSL/A0333/2015). The Fund is a regulated wholesale fund under the Capital Markets and Services Act 2007 (CMSA) of Malaysia.

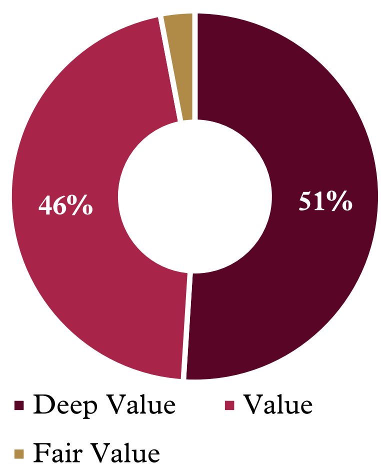
Listing Breakdown



MY Sector Breakdown (GICS)



MY Value Breakdown



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