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MTC Asset Management
Meranti Fund

Commentary (Meranti Fund)

June 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 105.3% (7.5% p.a.), underperforming Founders but significantly outperforming the KLCI, which returned 164.4% (10.2% p.a.) and -0.4% (0.0% p.a.), respectively, in MYR terms. YTD in 2026, Meranti achieved a return of -8.6% (-9.1% in USD terms), this time outperforming Founders, which returned -11.0% (-11.5% in USD terms). Meanwhile, the KLCI appreciated -1.0% YTD.

Portfolio

We made no changes to our Malaysian holdings during the quarter. The reversal in glove share prices affected reported performance, but there was no material company-specific news to change our investment conclusion. There is also little to add on the non-glove holdings. Our Malaysian portfolio remains a collection of mainly blue-chip, high-yielding dividend payers, supplemented occasionally by thematic undervaluation positions. At present, gloves are the only such theme. The Malaysian value breakdown is 54% deep value and 46% value, with no fair-value allocation. By sector, it is 51% healthcare, 24% financials, 12% consumer staples and 13% 'others'. Given our comments in the Founders commentary about a 'bubble', we remain uninvested in the Malaysian semiconductor sector. Many companies in the sector, largely based in Penang, have performed well this year, and the market has also seen the listing of AI-related SkyeChip Berhad. Could the rally continue? Of course. That does not make the valuations attractive to us, and we remain uninvested.

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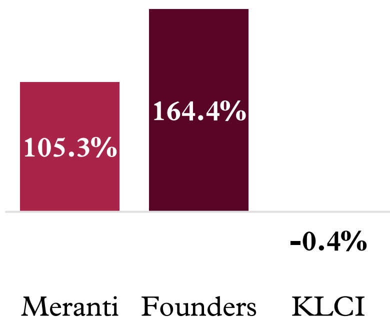
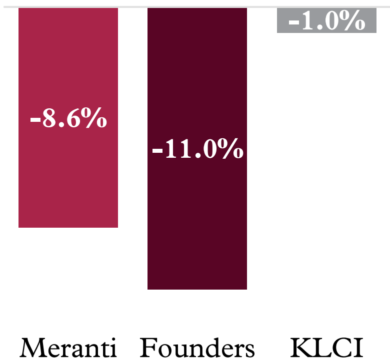
Performance

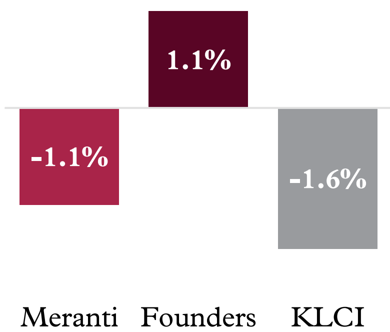
Since Inception (28 Jul 2016)



Year to Date (Jun 2026)



Quarter (Jun 2026)



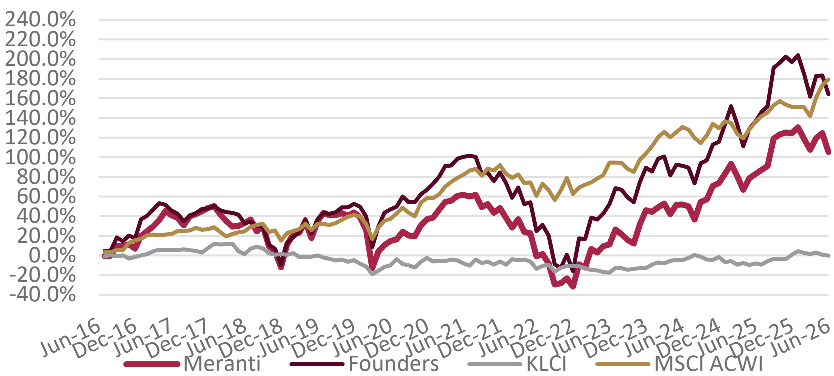
Devan Linus, Chief Investment Officer

Market Insights & Outlook

This may be the shortest Meranti commentary we have written. We cannot force a story when there has been no material news or significant event in our portfolio companies. We could ramble about politics and the economy, but that is not the purpose of this commentary. Our job is to explain what changed in the Fund. This quarter, very little did. We expect the Malaysian portfolio to remain broadly flat unless glove stocks appreciate again. It is a steady portfolio of mainly blue-chip companies. Meranti's performance is therefore likely to track Founders closely, which makes the Founders commentary the more important companion piece this quarter. Patience sometimes looks like inactivity. This was one of those quarters.

Performance

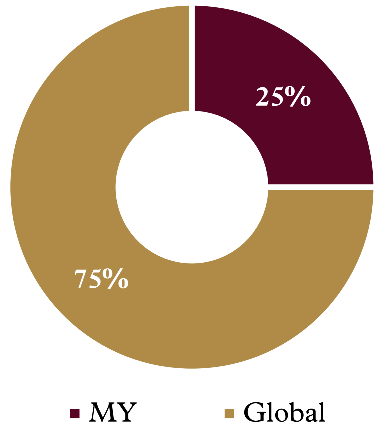
Since Inception (Jul 2016 – Jun 2026), net of fees, MYR



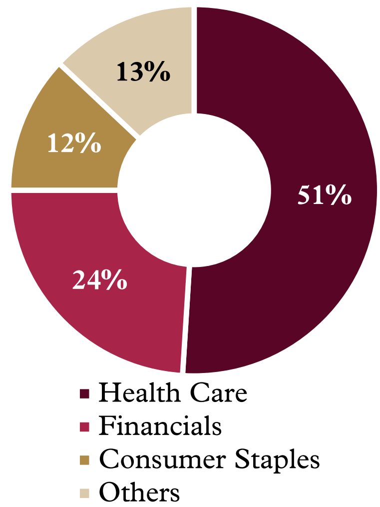
Disclaimer

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