Dear Shareholders,

Year (Ending)	AGT (Class A)	HSI	S&P 500	NAV/Share (Class A)
2019*	98.4%	4.51%	21.7%	198.4
2020	137.5%	-0.2%	18.4%	471.2
2021	128.0%	-11.8%	28.7%	1074.1
2022	11.7%	-12.6%	-18.1%	1199.8
2023	25.5%	-10.5%	26.3%	1505.9
2024	60.1%	22.9%	25.0%	2410.8
CAGR (2019* – 2024)	71.2%	-2.1%	15.9%	
Overall Gain (2019* – 2024)	2,311%	-11.6%	139.6%	

**From Feb 2019 (inception date of Class A). Returns of indexes include reinvestment of dividends*

Year (Ending)	AGT (Class B)	HSI	S&P 500	NAV/Share (Class B)
2024*	51.5%	26.9%	16.7%	1514.8

**From Mar 2024 (inception date of Class B). Returns of indexes include reinvestment of dividends*

For the year ending Dec 31st, 2024, your investments generated a return of +60.1% and +51.5% for Class A and B respectively. Gains were broad based across our 3 strategies, with our long term investments generating the most amount of gains, followed by short term trading and quantitative investments.

In 2024, despite significant macroeconomic events (ongoing inflationary pressures, U.S. central bank interest rate policies, China's property sector deleveraging, Europe's political uncertainties, and the U.S. presidential election), volatility across major asset classes has been relatively subdued, with occasional brief spikes. This environment has generally favoured major equity markets, which have performed well.

However, we must remain cognizant that market conditions can shift rapidly. When turbulence inevitably returns, we must be mentally prepared to:

1. Stay the course, maintaining our long-term focus and discipline
2. Seize opportunities to establish new investments and add to existing ones, leveraging our research and conviction to capitalize on attractive valuations

Reflections on the Past Year

We are grateful and heartened to have added substantial value for all investors over the past year. Three key aspects of our approach have contributed to this favourable outcome.

Firstly, we have not incurred unnecessary risks to achieve this outcome. Throughout the year, we only applied leverage opportunistically (~120% to ~180%), focusing on our long-term portfolio holdings of good companies and short-term trades with favourable return-to-risk ratio. Throughout this period, our team adhered strictly to our pre-defined risk management criteria and constantly remained vigilant, monitoring any risks that could derail our investment theses.

Secondly, we have avoided major mistakes, including:

- Mistakes of commission: We maintained discipline and refrained from venturing outside our circle of competence and avoided overpaying for investments.
- Mistakes of omission: Having identified several attractive opportunities, we aggressively accumulated positions and steadfastly held onto them (while also continually assessing new information and occasionally adjusting our position sizing). Importantly we allowed a high conviction investment to constitute ~20% of our initial total assets and it did well subsequently (more on that later).

One single mistake we committed in 3Q 2023, which resulted in an 8% capital loss (5% permanent and 3% opportunity cost), serves as a reminder to avoid unforced errors and prioritize prudent decision-making.

Lastly, there were no investor fund redemptions over the past year. This achievement is particularly noteworthy, given that we have over 100 investors invested through various platforms and channels. Your patience and trust in our investment strategy over the past year have not gone unnoticed, and we extend our sincerest gratitude to each and every one of you. This stability of patient capital is crucial as it enables us to focus on the intrinsic, long-term value of businesses, rather than being swayed by short-term market fluctuations. We can act decisively when we identify significant gaps between price and value, secure in the knowledge that time is on our side.

Long-term Investment Portfolio, 20 - 25 Companies, ~75% of AUM

In 2024, our long-term investments contributed about 85% of total returns.

In this portfolio, we like to hold:

Great companies at a reasonable price – Strong competitive advantages, high returns on equity, long established operating records and strong balance sheets

We continue to hold several high-quality companies on your behalf, scouring the globe for exceptional businesses. Successful and long lasting businesses often share a common characteristic i.e. strong and durable competitive advantages. These advantages can take various forms, such as:

- Technological and manufacturing competencies (e.g., TSMC)
- Low-cost leadership (e.g., CNOOC)
- Strong network effects (e.g., Apple, AmEx, Tencent, KKR, Trip.com)
- Economies of scale and location advantages (e.g., Sheng Siong)

These advantages enable companies to offer highly differentiated products or services, adding value to their customers and creating high switching costs. This builds a strong economic moat that protects their businesses and allow them to enjoy attractive returns on capital and ample free cash flow generation.

These surplus free cash flows can then be reinvested to expand market share, deepen customer relationships, and further strengthen their moats, creating a self-reinforcing virtuous cycle.

Limitations in this category

While investing in high-quality companies offers possible attractive returns, there are limitations to consider, particularly regarding growth potential and valuation. Several key concerns may arise:

- **Can the company continue to reinvest its surplus earnings at similarly attractive rates of return on capital in the future?** This hinges on various factors, including managerial competencies, industry size and geographical constraints. Additionally, as the business grows, regulatory risks may emerge, including antitrust allegations.
- **Are the competitive advantages truly durable enough to withstand the test of time and persistent competition?** Will their economic moats remain intact, or will they be breached? History has shown that few companies maintain their position over time, as seen in the limited number of companies that remain on the Forbes 500 list.

- **Many high-quality companies are widely recognised by the broad investment community and currently trade at elevated valuations.** Overpaying can transform a good company into a poor investment. While we are not averse to paying premium valuations when we have high conviction in a company's future earnings potential, it is also important that we maintain a substantial margin of safety in our valuation assessments. Our role involves addressing two critical questions:
    - Is the company's quality and growth potential sufficiently high?
    - Is the company's current valuation reasonable?

  The latter question is often more challenging.

Attractive buying opportunities in high-quality companies typically arise during severe market downturns or temporary specific business difficulties. Over the past year, there have generally been no such major opportunities. Many investments in this category (excluding those listed in China and Hong Kong) have been trading at the higher end of their intrinsic values. Examples of elevated valuations include Apple (28x earnings multiple), KKR (35x), and American Express (25x). While we remain patient shareholders in many of these companies, committing new capital at current valuations no longer appears economically compelling. In response, we have become more aggressive in pursuing our next preferred investment category.

<u>Good companies at a cheap price – Decent returns on equity capital, acceptable balance sheet strength, unproven track records and cheap valuations</u>

If the first and our preferred category can be classified as <u>"AAA"</u> credit-rated bonds, the above category would be the <u>"BBB"</u> equivalent.

This category comprises businesses spanning diverse industries, which we scrutinize mainly due to their attractive valuations. These companies often operate in:

- Highly competitive and deeply cyclical industries
- "Unloved" industries
- Undiscovered small/micro-cap companies in niche industries
- Turnarounds and workouts, involving corporate reorganizations, asset sales, spin-offs, or other specific activities

Characteristics of these businesses include:

- Short and/or poor earnings track records, making it challenging to estimate future margins, earnings and hence expected returns
- Lack of strong, durable competitive advantages that differentiate itself from its peers
- Survival dependent on efficient cost structures

As a result, these companies tend to be price takers, not price makers. Their valuations are often discounted due to uncertainty surrounding their future free cash flows. We, like most investors, have limited conviction in predicting their performance five years into the future.

Over the years, we have diligently researched and followed various industries in this category, including Indo thermal coal, Indo poultry, Chinese property companies, and US office REITs, oil and gas, among others.

Our approach to "BBB" investments

This category inherently involves more uncertainty, and some investors might view it as speculative. We largely share this perspective too, recognizing that market realities often favour established winners (and not “turnarounds”).

As such, we always approach these companies with skepticism, adopting a cautious mindset: "Monitor closely and add gradually as positive developments unfold." Occasionally, when we understand the market's reservations, and hold a different view on the company’s prospects after conducting careful research, we can act aggressively. (As being “unloved/undiscovered” typically brings with it a cheap valuation offering us a strong margin of safety.)

Our conviction also grows when we observe improving balance sheets, insider purchases and commencement of shareholder value enhancement initiatives (e.g., share repurchases, disposal of underperforming assets/divisions, dividend increases etc.)

In 2024, our returns from this category were rewarding, with several investments delivering earnings growth, strengthening their balance sheets, and experiencing corresponding upward re-ratings in their share prices.

Identifying "BBBs" that transform into "AAAs"

What we are hoping (praying) obviously is that we are able to spot a rare, promising “BBB” and with competent management coupled with the passage of time, transform the company into a “AAA”.

We indeed have such good luck in 2024 and we have briefly mentioned to you about it in our 3Q24 letter. Here we will provide more details.

Dyna-Mac Holdings, DMHL SP (Market cap: S$680m)

Company's background: The company offers engineering, procurement and construction services to the offshore oil and gas industry. It specialises in the fabrication of topside modules for floating, production, storage and offloading vessels.

Difficult period and steps taken by new management: The company was in a period of huge uncertainty following the oil and gas industry downturn in 2014-2015 and the subsequent passing of the company's founder. In such difficult times, investors were extremely lucky when Mr. Lim Ah Cheng, commonly referred to as AC Lim, took over as CEO in 2020. The management team, under his leadership, worked diligently to turn the company around, transforming it from the brink of bankruptcy into a financially robust entity with substantial cash reserves and zero debt. Furthermore, Dyna-Mac's order book has reached impressive levels, totalling S$681 million.

Our thoughts and investment thesis:

Warren Buffett emphasizes that the quality of a company's management is critical in determining whether its stock represents a sound investment. The investment in Dyna-Mac exemplifies how we as ordinary investors were fortunate to chance upon an extraordinary management team.

We have monitored this company closely since 2019, and under AC's leadership, early signs of positive change were evident. At one point, Dyna-Mac significantly reduced its debt to the extent that **its net cash surpassed its market capitalization**, indicating that the market was severely undervaluing the business and its prospects—a perspective we do not share.

Since AC and the new management team took over, from 2020 to 1H24, the order book has more than tripled from S$204 million to S$681 million. During this same period, both gross and net margins improved dramatically, shifting from losses to highs of 27.6% and 14.9%, respectively. These margins are noteworthy for a multi-disciplinary contractor in the oil and gas sector, enabling Dyna-Mac to achieve an impressive return on equity (ROE) of 66.4%, a hallmark of high-quality companies.

These significant improvements in financial metrics were not achieved overnight; they stemmed from several key principles. The three most prominent were: (1) maintaining strict discipline and prudence in cost management; (2) treating customers, suppliers, and subcontractors as partners; and (3) focusing on niche markets. The management team has consistently prioritized reducing unnecessary overheads and operating costs while optimizing yard capacity to maximize returns on investment. By concentrating on their competitive edge rather than pursuing every "new" opportunity, Dyna-Mac has positioned itself as a leading module fabricator in the industry, as evidenced by its growing order book and high return on equity. What further strengthened our conviction was **AC's acquisition of 4 million company warrants** at the beginning of 2024. All the above convinced us to invest a significant amount of your capital into the company.

We believe there remains considerable potential for the company's future growth. By leveraging on their competitive advantage in module fabrication, the company aims to

expand into adjacent markets such as blue hydrogen and the "greenification" of fossil fuels. Additionally, potential mergers and acquisitions are also part of their strategy to generate additional recurring income streams. As our confidence in the company and its management grew, we expressed our intention to be a long term, stable shareholder.

However, this opportunity was lost when Dyna-Mac was acquired by a South Korean shipyard and subsequently taken private in Nov 2024. As aforementioned, we were fortunate to encounter an exceptional management team that successfully turned around a near-bankrupt company operating in a deeply cyclical industry—a rare feat. All in, we achieved nearly 100% return on our investment and this amount constituted nearly 1/3 of the total gains we have achieved in 2024. (We could have made much more if it stayed public)

Good ideas in this category are rare (and those currently underperforming may still turn to our favour in the future). We will continue to proactively search, act and update you in due course.

Short-term Trading – Long/Short Active Trading Strategy; Hedging

In 2024, our short term trades contributed about <14% of total returns.

Your trading team has had a decent year, with notable gains from long trades, particularly in opportunities like ESR Group's privatization, which was valued at $7.11 billion. This deal, which offered shareholders a substantial premium was a significant event. Other profitable trades included investing in Chinese property companies after the government introduced stimulus measures, buying interest rate beneficiaries following the US central bank's interest rate cut, and purchasing financials after Donald Trump's US election victory.

We have observed that trades of longer durations (1-6 months) have generated a significant proportion of trading profits over the past two years. While the traders will continue to stay vigilant and seek good opportunities from all time frames, we expect our trades to generally stretch longer in duration. This shift towards longer-term trades will require us to devote more efforts into research and carefully manage risks associated with longer-term positions. This strategic approach will serve us well in navigating periodic market volatilities while enabling us to fully capitalize on future opportunities.

Quantitative Investment Strategy (QVM, Quality, Value and Momentum Factors Investing)

In 2024, our Quantitative strategy contributed about <1% of total returns.

Our quantitatively driven investment portfolio delivered a +20% return on the assets allotted. A notable milestone was the expansion into the US market, which broadened our opportunity set, enhanced portfolio diversification and improved its robustness.

Throughout the year, we simplified the underlying factors that underpin our strategy, making it more robust and improving implementation consistency across various markets.

A significant challenge emerged in Q3, when the strategy's limitations became apparent. The portfolio was not agile enough to fully capitalize on the stimulus-driven rally in Chinese/Hong Kong markets. Underweight positions in these markets and the underperformance of our target factors led to a performance that fell short relative to the broader market. The rally, driven by leverage, small-cap, low-quality, and low-momentum factors, sharply contrasted with our focus on high quality, value, and momentum. However, by Q4, the rally proved short-lived, with many such "junk stocks" reverting to pre-stimulus levels due to lackluster economic measures and added uncertainty from Donald Trump's election victory.

Looking ahead into the new year, we will continue to broaden our universe and improve strategy agility to respond better to rapid market shifts. At the same time, we will remain

committed to refining factor selections to ensure long-term resilience. Striking the balance between adhering to fundamental principles and adapting to evolving dynamics will be key. We strive to deliver sustainable, risk-adjusted returns for our investors through our disciplined quantitative analysis and strategic adaptability.

Matters of Importance and Common Questions Asked

Alignment of Interests

Among the most common question asked of us (in one form of another) is the following: "How can you assure external investors that the 3 founders will continue to maintain significant holdings in the fund?"

Since the fund's inception, Avrian, Tim, and I continue to maintain over 90% of our net worth invested alongside yours, and we assure you that this commitment will persist for the foreseeable future. On top of this, we have a profound personal interest in the fund's success. Our family members' and close friends' wealth is invested alongside our own, creating a strong sense of accountability and responsibility. The thought of disappointing those closest to us is a powerful motivator, driving us to prioritize the fund's success (above our individual financial interests).

Our broader team, comprising an additional five members (with an average age of 31), also holds a substantial portion of their net worth in the fund. Notably, they consistently reinvest a significant share of their annual compensation into the fund, a practice that Avrian, Tim, and I actively encourage.

Just as we wish to see the management teams of our portfolio companies increase their shareholdings from time to time, you should anticipate the same level of commitment from your fund managers. Whenever your investment value declines, we hope you find comfort in knowing that your fund managers, as the largest shareholders, have suffered proportionally greater losses (as we ought to). This shared interest inherently motivates us to recoup those losses diligently.

Talent Retention and Incentive Structure

Avrian, Tim, and I have also implemented corporate policies and practices designed to ensure alignment of interests and long-term investment excellence. We carefully select each investment team member, who, after a comprehensive training period, assumes responsibility for managing a portion of our total assets.

Our remuneration structure consists of a modest fixed salary, supplemented by a higher-than-industry-level performance fee sharing arrangement. Increasingly, it is my opinion that individual performance bonuses should also be "tied" to each team member's commitment to maintaining or increasing the portion of their own net worth invested in the fund, thereby reinforcing the alignment of their interests with those of all investors in the fund's overall success or failure. Additionally, the bonuses of our traders are subject to future clawbacks in events of underperformances.

By implementing this incentive structure, we aim to foster a culture of self-accountability, entrepreneurial spirit, and collaboration among our team members.

Having worked in various organisations of differing sizes and scale and observing successful individuals and teams, the 3 of us deeply believe that the right incentive structure can cultivate frugal and hardworking behaviour while encouraging individuals (especially when they are young) to push beyond their usual abilities, unlocking their fullest potential. We want to attract (or through self-selection) intelligent, hardworking, and talented individuals who are willing to forgo short-term gains (modest fixed remuneration) in exchange for learning and honing an effective investment skill set that leads to long-term wealth creation (net worth accumulation over 20-30 years).

Our corporate culture, emphasizing self-accountability and excellence, has yielded positive results thus far. Since our fund's inception in February 2019, we have maintained zero employee attrition (only additions), ensuring the retention of investment knowledge. Correspondingly, returns have been rewarding. While not all team members have been star performers, each has consistently improved and made valuable contributions. Avrian, Tim, and I aim to sustain this culture for as long as possible. As long as we uphold the principles of fairness and meritocracy, I am confident in our ability to attract and retain a strong team dedicated to managing your investments competently and generating attractive returns over the long term.

Our Goal

We are stewards of your hard-earned money and take our responsibilities seriously. We have no interest in high-risk, high-return investments. Our primary focus is minimizing risk as much as possible before considering potential returns. (When we talk about risk, we are referring to fundamental business risks such as durability of competitive advantages, business models etc. and not short term price fluctuations which should be expected from time to time).

We must be both careful and prudent in contemplating our assumptions, but at the same time, we must also be decisive and aggressive in execution when opportunities arise. Above all, in an era of rapid technological change and heightened geopolitical tensions, nothing can be taken for granted. It is essential to always be prepared for rainy days. We must continuously examine our investment theses and adjust them as our conviction strengthens or weakens in response to changing facts.

We cannot promise that we can outperform every year, but we will be disappointed if we cannot deliver good value to you over a 3-5 year horizon (as measured by net returns relative to an unmanaged, low-cost S&P 500 exchanged traded fund). However, if we do fail you, we can promise it will not be integrity issues on our part. (It will be our intellectual abilities and/or lack of initiatives.)

In the years ahead, there will be periods of strong returns, bad ones, and plenty of decent ones in between as well. We will make multiples of our investment in good investments and likewise lose a significant sum when we make mistakes. When we

do make mistakes, we will be upfront and honest with you and spend our best efforts to mitigate the damage and learn important lessons from them. Ultimately, our goal is to cultivate wisdom and far-sightedness, and over time aim to maximize our successes and minimize our setbacks.

Concluding Words

A big part of the investment returns from Dyna-Mac came from the hard work and persistence of our research analyst, Darren. It is easy to identify currently outstanding and media hogging companies but a lot tougher to follow companies that are still small and unproven. Afterall it is a lot easier (information availability) and more exciting following Nvidia than a small oil and gas company (or Nvidia 20 years ago). The latter requires determination, an ability to withstand boredom and a sense of maturity to do the hard work that doesn't necessarily payoff in the short term (or at all). Such personal qualities are rare in a world that is increasingly focused on short term rewards and immediate gratification.

Darren is rational, hardworking and grounded. We are all lucky to have him working alongside us. We are expecting more such wonderful ideas from him in the years ahead. (The best I can do to help is not to bother him with unnecessary paperwork or meetings.)

Avrian, Tim, and I hope that you view your investment in our fund as a conduit to owning a portfolio of high-quality companies, carefully selected and managed on your behalf. For the modest management fees you pay, we commit to hiring and retaining top talent to oversee your investments full-time, continuously monitoring and adapting our strategies as facts evolve and capitalizing on opportunities arising from periodic market volatility and industry developments.

We are merely in the early stages of our investment journey, akin to the first five minutes of a ninety-minute football match. Although we have achieved some success thus far, our gains can quickly evaporate if we become complacent. It is essential that we remain careful thinkers and disciplined purchasers of fundamental business values. Over time, we hope to earn your trust, confidence and foster a long-term partnership that transcends generations. We envision AGT’s relationship with you to be a cornerstone of your succession planning and provide a stable and secure foundation for your family's financial future.

Thank you for reading and please contact us if you have any questions regarding your investment. Speak to you again soon.

Best wishes,

Greg, on behalf of the whole AGT team

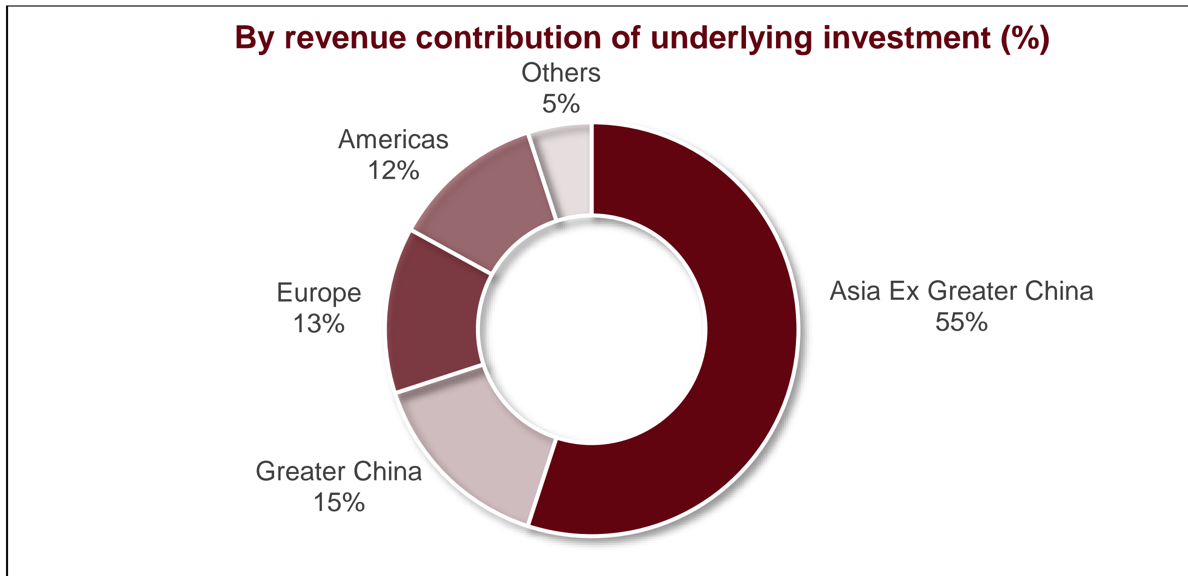
In his 1965 shareholder letter, Warren Buffett once wrote his thoughts on the reasons why most institutional fund managers consistently underperformed:

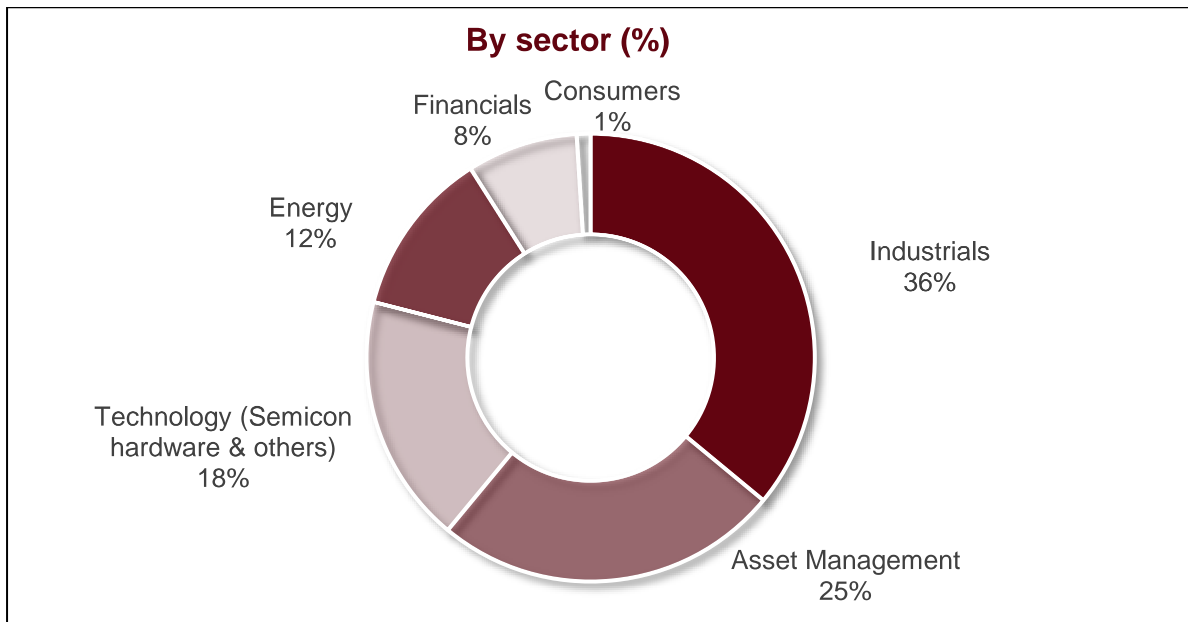
"In the great majority of cases the lack of performance exceeding or even matching an unmanaged index in no way reflects lack of either intellectual capacity or integrity. I think it is much more the product of: 1) group decisions – my perhaps jaundiced view is that it is close to impossible for outstanding investment management to come from a group of any size with all parties really participating in decisions; 2) a desire to conform to the policies and (to an extent) the portfolios of other large well-regarded organizations; 3) an institutional framework where average is 'safe' and the personal rewards for independent action are in no way commensurate with the general risk attached to such actions; 4) an adherence to certain diversification practices which are irrational; and finally and importantly 5) inertia."

Mr. Buffett will likely add the 6th point now: "The excessive and unwarranted fees charged by most active fund managers."

60 years have passed and after 17 years in the industry, I find these words as true as it was then as it is today.

Portfolio's Constitution by Geography and Industry (As of December 2024)





Key Facts (As of December 2024)

Strategy allocation as % of AUM	
Long-term investments:	70-80%
Active trading (Short-term)	15-25%
Quantitative investments	5%
Portfolio concentration:	
# of positions	>30
20 – 25 holdings	~75%
Largest holding	~20%
Target holding period	>3 - 5 years
Selected portfolio metrics	
Return on equity (ROE)	~15%
Price to earnings (P/E)	~12x
Dividend yield (TTM)	~3.5%
Gearing and Exposure	
Longs (Gross)	~150%
Shorts (Gross)	~5%
Net exposure	~145%
Gearing level	<200% of AUM

Historical Monthly Performance (Net of all fees)

Class A

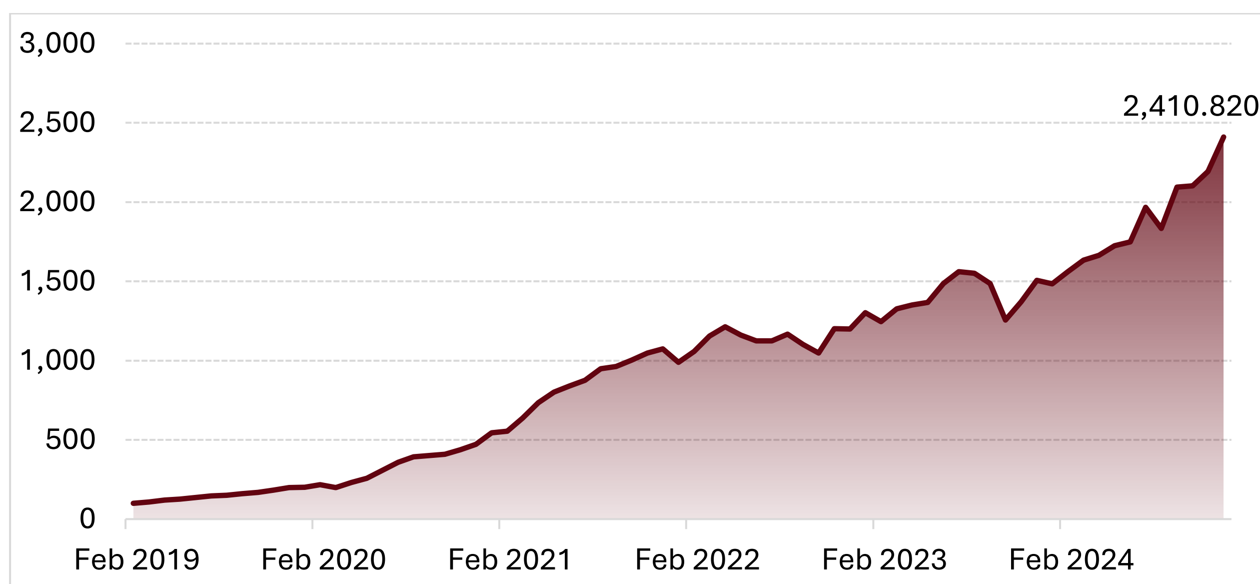
%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019		-0.3%	9.0%	11.1%	4.1%	8.8%	7.4%	2.1%	6.7%	5.5%	8.2%	8.7%	98.4%
2020	1.6%	7.2%	-7.8%	15.9%	11.8%	19.5%	16.4%	9.2%	2.3%	1.8%	7.2%	7.7%	137.5%
2021	15.6%	1.9%	14.9%	15.1%	9.1%	4.8%	4.3%	8.3%	1.5%	4.2%	4.4%	2.6%	128.0%
2022	-8.0%	7.1%	9.0%	5.1%	-4.4%	-3.1%	0.0%	3.7%	-5.4%	-5.0%	14.7%	-0.1%	11.7%
2023	8.4%	-4.2%	6.4%	1.8%	1.3%	8.7%	4.9%	-0.7%	-4.1%	-15.6%	9.2%	9.9%	25.5%
2024	-1.4%	5.1%	4.7%	1.8%	3.7%	1.4%	12.5%	-6.8%	14.2%	0.4%	4.3%	9.9%	60.1%

Class B

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024			4.3%	0.8%	4.5%	1.1%	13.6%	-4.8%	15.6%	-2.1%	3.3%	7.8%	51.5%

Net asset value/share (Net of all fees)

Class A



*Inception level 100 from February 2019

*Fund returns administered by Amicorp Pte Ltd from 2019 – June 2021. Subsequent (July 2021 onwards) returns are administered by Trident Trust. All returns audited by EisnerAmper.

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