AGT Partners

2025 Annual Shareholder Letter

Dear Shareholders,

Year (Ending)	AGT Class A (SGD)	AGT Class B (USD)	AGT Class C (SGD)	HSI	S&P 500	NAV/Share Class A (SGD)	NAV/Share Class B (USD)	NAV/Share Class C (SGD)
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%	1,074.1	-	-
2022	11.7%	-	-	-12.6%	-18.1%	1,199.8	-	-
2023	25.5%	-	-	-10.5%	26.3%	1,505.9	-	-
2024	60.1%	51.5%	-	22.9%	25.0%	2,410.8	1,514.8	-
2025	93.2%	100.8%	11.5%	32.5%	17.9%	4,657.6	3,041.4	1,115.4
CAGR since inception	74.3%	83.4%	-	1.9%	15.8%			
Overall gain since inception	4,557.6%	204.1%	11.5%	13.6%	172.9%			

**All return figures are net of all fees. Returns of indexes include reinvestment of dividend*

***2019 returns for Class A, HSI and S&P 500 are calculated from 27 Feb 2019 (inception date of Class A)*

2024 returns for Class B calculated from March 2024 (inception date of Class B)

2025 returns for Class C calculated from Sep 2025 (inception date of Class C)

****Performance figures for Class B and C shares are based on the initial series*

The past year's results were extraordinary: Class A returned 93.2%, Class B 100.8%, and Class C 11.5%. Apart from a brief but sharp intra-month **drawdown of more than 25% in our Net Asset Value (NAV) during the first two weeks of April**, we did not experience any major declines thereafter. Outside of that short-lived volatility, major equity markets largely moved in one direction—up. All 3 strategies generated positive returns. We now manage around S$360m in assets. Our focus remains on sustainable NAV/share growth over the long term and keeping overall fund expenses low.

Reviewing the Past Year; Uncertainties Ahead

In 2025, we benefited from four key tailwinds: **(1)** good earnings growth across most of our investee companies, with a selected few embarking on corporate reforms/value-unlocking initiatives that contributed to significant positive valuation re-ratings, **(2)** a reduction from initially proposed trade tariffs resulting in relatively lower equity markets volatility, **(3)** easing monetary policy by several major central banks amid lower inflationary pressures, and **(4)** Singapore equity-market reforms that contributed to a re-rating of some of our local holdings. Our focus remains firmly on doing **(1)** well—because that is what we can control—and letting the rest take care of itself.

And while markets may seem calm on the surface today, many uncertainties remain.

Tensions between the U.S. and China remain unresolved, with any tariff "pause" merely temporary. Inflationary pressures also continue to simmer in the background—long-term effects of increased tariffs will remain an overhang on global economic growth, and supply chain, energy, or fiscal dynamics concerns may re-accelerate. Meanwhile, geopolitical flashpoints persist across Latin America, the Middle East, and even in less expected areas such as Greenland, reminding us how fragile and messy the current external environment is.

At the same time, most of the major stock markets are trading at elevated valuations and constantly setting record highs. We are also now witnessing signs of exuberance in parts of the AI ecosystem, where startups with little more than an "AI story" can raise hundreds of millions with relative ease.

Against this backdrop, we must be even more careful — picking our investments wisely while maintaining tight risk management metrics for our trading positions. So long as we remain disciplined purchasers of value, stay mindful of the external environment, and do not employ excessive amounts of gearing, we believe we will do well over the long term.

<u>Fund's Leverage Throughout the Year, Internal Cap and High Return Thresholds</u>

Throughout the year, our average leverage level was approximately 160%**,** ranging from 120% to 195%**.** Our self-imposed leverage limit is not more than 200% (i.e., we do not own more than $2 of assets for every $1 of equity). As of Dec 31st, 2025, our leverage is 156%.

Our leverage is applied within strict risk controls, including liquidity thresholds, position sizing limits, and concentration guidelines, ensuring the portfolio can withstand volatility without becoming a forced seller.

Importantly, we do not rely on leverage to generate baseline returns — in particular, we do not use leverage on low single-digit return opportunities simply to reach an "acceptable" headline performance number. Instead, we use leverage opportunistically and selectively when underlying opportunities already exhibit high earnings yields and attractive risk-reward characteristics. In such situations, leverage becomes a tool to enhance capital efficiency and capture mispricings, rather than a substitute for a weak return profile. In other words, leverage is used only when the underlying engine is already strong, and not as a compensation for weak fundamentals.

Long-term Investments Portfolio (~75% of AUM)

Our long-term holdings contributed close to 90% to our total returns for the year.

We invest in businesses that are easily understandable, have a favourable long-term operating outlook, and are managed by fair and competent management. Importantly, they must be available for purchase at reasonable valuations. There is a group of "**great businesses"** that we particularly favour—large companies with high returns on capital and long reinvestment runways. They tend to be able to sustain these attractive economics because they possess strong competitive advantages such as strong brand and customer trust, cost and scale efficiencies, convenient locations, network effects, high switching costs, regulatory or structural barriers to entry, and differentiated capabilities that are difficult to replicate (whether through technology, distribution, data, or execution).

The main problem for us, as with many other stock pickers, is that these great businesses come with a great price tag as well, and most frequently trade at valuations that offer less margin of safety. In some cases, we may hold only a small position—or simply admire these companies from afar and wait patiently for a better entry point. We do so because we respect price risk and recognise the fact that not every great company will remain so forever. Over time, either valuations become more favourable, or intrinsic value compounds into the price. When risk-reward improves, we can scale the position accordingly. In a strong equity year like 2025, there were few opportunities for us to meaningfully "buy the dip." Other than one new addition, we made no major changes to the list of great businesses we own, apart from opportunistic add-ons to existing holdings.

Most of the changes this year—primarily additions—were made within the "**bargains**" portion of our portfolio. These are typically small- to mid-cap companies that earn acceptable returns on capital, and the main reason we are attracted to them is valuation. We are often able to invest at single-digit entry multiples. Importantly, these businesses are frequently cheap not because their models are fundamentally broken, but because they are smaller in size, operate in unsexy or cyclical industries, and therefore receive less attention from the broader investment community and sell-side research analysts.

As a result, this segment of the market tends to be less efficient, and the odds of us finding something that is both reasonable in quality and possesses a good margin of safety are higher. Indeed, over the past two years, our small- and mid-cap investments have been the primary driver of the strong outperformance we have been able to deliver to you.

Going forward, we are increasingly focusing on companies that are not just cheap optically but showing potential (or already in the midst) of meaningful "business engine" transitions, undertaking corporate reforms, and/or initiating value-unlocking initiatives. (More on this later.)

We will continue to either hunt for great businesses or hunt for promising bargains. In the long run, our preference is always to buy a great business over a mediocre one—provided we are confident it can sustain high returns on capital well into the future and is available for purchase at a reasonable price. After we invest in a great business, our goal is simple: to let the business continue compounding its earnings at a satisfactory rate over time and let the share price take care of itself.

1. **Great businesses with strong competitive advantages, at reasonable prices**

We continue to own Apollo, Apple, CNOOC, KKR, Sheng Siong, Tencent and TSMC, among others. While not all delivered positive share price returns in 2025, each continued to demonstrate resilient earnings growth over the past year by leveraging the strong economic moats they possess.

In 2025, we made one meaningful new addition to the list of great businesses we own, DBS Bank, which we invested in and steadily increased our holdings over time.

DBS Bank

We have followed the company for many years, but aside from occasional trades, we had not felt compelled to build a meaningful position in a business—even one that is an industry leader—whose business is traditionally mainly asset-based lending and whose earnings are still meaningfully influenced by interest-rate cycles.

Over the previous two years, we have been increasingly impressed by the extent to which DBS has converted scale and technology into a **structural economic moat**. The bank's deposit franchise remains exceptionally sticky (and low cost), but what changed our view is the growing contribution—and strategic importance—of **fee-based businesses** such as wealth management and transaction banking, and the operating leverage embedded in its digital platform. These factors do not totally remove cyclicality, but they make the franchise more resilient and give DBS a longer and more attractive reinvestment runway than we previously credited it with. Importantly, these reinvestment options are more durable and capital-light than traditional loan growth. This has helped DBS to attain a record return on equity of 18% for 2024, one of the highest among all big, global banks. A reduced reliance on balance-sheet lending, alongside a growing share of recurring fee income, should also increasingly shift how investors value the franchise: away from a predominantly price-to-book metric (for traditional banks) and toward a more earnings-based valuation framework, where the durability and quality of profits matter more than the size of the balance sheet.

At the same time, management has been especially thoughtful and transparent about its capital allocation and shareholder returns policies. Additional capital beyond regulatory requirements has been proactively returned to shareholders through progressive dividend increases and clearly articulated share repurchase targets. Over time, as the bank shifts toward higher fee-based income and a more asset-light growth mix, it should also free up incremental capital—further strengthening its capacity to return cash to shareholders.

DBS is also well-aligned with Singapore's core strengths and "DNA". As Singapore continues to entrench its position as a trusted, rules-based safe haven for regional capital (in an increasingly messy external environment), the value of reputation, governance, and regulatory credibility will continue to rise. In our view, this backdrop disproportionately benefits the leading domestic incumbents, with the bank well-positioned to capture a growing share of wealth and cross-border flows.

In that sense, DBS has the potential to play a role for Asia that resembles what UBS represents in Europe: a highly credible and reputable wealth management platform for safeguarding and compounding wealth. The important difference is that DBS can pursue this opportunity with a meaningfully lower cost base, supported by digital operating leverage, a strong deposit franchise, and a remuneration structure that remains rational—attracting high-quality talent without importing the structurally high compensation burden that often comes with traditional private banking models.

That is why we moved from "occasional trades" to a core, steadily increased position. Even after meaningful share price increases over the past two years, DBS continues to trade at an attractive prevailing yield of around 5%. In addition, there remains a meaningful quantum of announced share repurchases yet to be completed; if these are not executed in full over time, they may instead be redirected toward higher dividend payouts.

We would also like to mention two investments that have done particularly well for us in 2025. These are TSMC and Tencent.

Taiwan Semiconductor Manufacturing Company (TSMC)

TSMC continues to perform well beyond our expectations. In 2025, revenue grew by 36% in USD, largely driven by AI-related demand. Even more impressive was the improvement in gross margin, a result of TSMC's excellent cost improvement efforts and higher capacity utilization rate due to strong demand for their chips. Coupled with operating leverage, earnings per share increased by 46.4%. ROE also increased from 30.3% in 2024 to 35.4% in 2025.

During their most recent earnings call, management guided for another ~30% increase in revenue in USD in 2026 and revised up their 5-year revenue CAGR guidance (2024 to 2029) from ~20% to ~25%. We could not be more impressed with the continued strong execution from TSMC's management team.

These results are a function of what TSMC calls their Trinity of Strengths: Technology Leadership, Manufacturing Excellence and Customer Trust.

- **Technology Leadership**: Over the last few years, TSMC has consistently been first to provide leading-edge technologies that deliver both low power consumption and high-speed performance. As a result, nearly all of the world's most advanced chip design companies (i.e. Apple, Nvidia, AMD, etc.) are working with TSMC to manufacture their chips. Customers continue to demand TSMC's latest nodes despite the higher cost of procuring them, a testament to the value of TSMC's process technology.
- **Manufacturing Excellence**: To paraphrase what the current CEO, C.C. Wei, once said in Mandarin: "Technology and manufacturing are equally important. You may have the technology, but the technology is not just meant for show; it must be able to produce revenue. That is where the importance of manufacturing comes in." TSMC should also be lauded for their ability to ramp up high-volume manufacturing for new nodes at good yields and to provide customers with consistent quality and reliability for their chips.
- **Customer Trust**: This is one of TSMC's four core values, as stated in all their annual reports: "At TSMC, customers come first. Their success is our success, and we value their ability to compete as we value our own. We strive to build deep and enduring relationships with our customers, who trust and rely on us to be part of their success over the long term." Another key competitive advantage is that TSMC never competes with its customers — a claim its two closest competitors cannot make.

A key risk is whether there is an AI bubble, especially given TSMC's plans to spend up to US$56 billion in capital expenditures in 2026. These investments will allow TSMC to manufacture more chips in 2028/2029 — it takes time for these giant facilities, called fabs, to be built and to be ready for production. But if demand were to taper off, the newly built capacity may be underutilized, which will significantly impact TSMC's profits. In response to this concern, we are encouraged to hear that the CEO has spent the last few months talking to customers, and even their customers' customers (cloud service providers), to verify if the demand is real, before committing such a big investment. We are also glad to hear that the main reason TSMC is investing is to be able to support their customers' growth opportunities, to further gain trust from their customers, which ties back to one of their Trinity of Strengths.

TSMC is one of the most important semiconductor companies in the world, and we continue to believe that their Trinity of Strengths positions them well for sustained success in an increasingly high computing era. We are glad to be shareholders in the company and envision ourselves owning them for the long term. Should valuations be attractive, we intend to opportunistically increase our position.

Tencent

Tencent's business also continued to do well in 2025. For the first 3 quarters of the year, revenue and operating profit increased by 14.3% and 18.4% respectively. We have said this before, but we continue to be impressed by Tencent's management team and their execution. Some notable examples:

- In 2022/2023, management talked about focusing on high-quality revenue streams as well as on cost-optimization efforts to improve margins. Today (Q3'2025), gross margin and operating margin stand at 56.4% and 37.6%, from 44.2% and 27.3% three years ago.
- In early 2024, Tencent's domestic games revenue was declining, and management was blunt in saying that monetization had been unimaginative and that the leadership of the monetization team would be changed. Fast forward to today, monetization has clearly improved, and domestic games' revenue is a strong driver of overall revenue growth.

As mentioned in our Q3 2025 letter, we also like the fact that management takes a long-term, ownership approach to the business, rather than chasing short-term profits to meet analysts' expectations.

More importantly, we remain positive about Tencent's future prospects, given the strong moat that it possesses. For the benefit of those unfamiliar, Tencent is the company behind Weixin/WeChat, which has a combined MAU of 1.4 billion users. Weixin is practically indispensable in China, with a strong ecosystem that is the driving force behind Tencent's advertising revenue. Tencent is also one of the biggest gaming companies in the world (if not the biggest), with major titles like Honour of Kings and PUBG Mobile. They also have a FinTech business (Weixin Pay, wealth management, etc.) and a cloud computing business.

Given such a wide range of businesses, performance will naturally fluctuate across different segments over time. However, we are confident in management's ability to navigate these fluctuations and continue to compound earnings for many years to come. We also envision holding Tencent for the long-term and will look to add to our positions whenever the opportunity arises.

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2. **<u>Small-mid caps which are available at cheap valuations. Domestic/regional focused, "promising bargains", seeking tomorrow's secular growth stocks at today's value prices.</u>**

Most of our small- and mid-cap investee companies increased their fundamental values at a very satisfactory rate over the past year, and this was reflected in a corresponding rise in their share prices. In a few specific cases, returns were outsized as the underlying businesses underwent meaningful transitions, such as shifting from cyclical end-markets to more secular growth drivers, moving from asset-heavy to more asset-light models, and undertaking corporate actions that unlocked value (such as spin-offs). In other instances, gradual deleveraging and balance-sheet strengthening also improved the quality of earnings.

In essence, several of our key small- and mid-cap holdings have improved their returns on capital through internal execution and structural change. Valuations have adjusted accordingly, and shareholders are in a better position today than a year ago with respect to these businesses' long-term prospects.

Many of these holdings are domestically/regionally focused and resilient businesses. This reflects our increasing interest in this segment amid ongoing tariff-related headwinds, as noted in earlier quarterly shareholder letters.

In an increasingly uncertain global environment, Southeast Asia stands out for being relatively peaceful and stable. We think it makes sense to be more exposed to select local and regional companies that derive the bulk of their revenues from quieter, structural domestic demand, rather than from geopolitically sensitive end-markets.

At the same time, the ease and convenience of meeting management and monitoring business conditions is a meaningful advantage. In smaller companies, management quality matters even more, so we place great emphasis on assessing it up close and continuously. This proximity also allows us to visit operations when relevant and track business developments more closely over time.

“Business engine transition”, corporate reforms and value unlocking initiatives

We like great bargains, but we are mindful of a trap: if returns depend on repeatedly selling yesterday’s bargain once it reaches fair value and then finding the next one, the risk of mistakes—and overall portfolio risk—can rise over time. Hence, we increasingly focus on companies that are not just quantitatively cheap but have the potential to transform into structurally better businesses—giving us the chance to own them for the long term.

It is also far more profitable (and enjoyable) to invest in a company that can keep growing and has no obvious limit to its runway, compared with one we buy at 5x P/E and hope to sell at 8x. First, we can keep deploying more capital behind the same trustworthy and highly competent management team—one we believe will take care of shareholders’ interests. Second, beyond earnings growth, returns can also come from significant valuation re-rating as the market recognises the structurally better business model. Third, as the business grows, it genuinely delights us to see it build capabilities, deepen customer relationships, and create more meaningful contributions to society (such as employment opportunities).

In contrast, great large/mega-cap businesses have established track records and thus can often be held for very long periods (but returns are mainly driven by earnings per-share compounding rather than valuation re-rating). For that reason, we have constructed the portfolio with a durable core of long-term compounders, while taking more conservative stakes in smaller and mid-cap opportunities, scaling up only as they continue to execute well.

Today, we engage actively with selected small- and mid-cap management teams on the long-term issues that matter most. For example:

A. **Can we expand into adjacent secular growth markets**, instead of relying solely on cyclical end-markets? (After all, what is the point of surviving one cycle, only to stand still and wait for the next downturn?)

   - **What new capabilities** do we need to build to make that transition credible?

B. **How can we be more capital efficient** and structurally raise the company’s **return on invested capital (ROIC)** over time?

   - **Can we put more focus on becoming more asset-light** and evolving into a solutions-focused business, rather than one driven purely by an order book?
   - Why hold surplus cash or buy non-core assets instead of returning capital to shareholders? (We often remind management teams to prioritise shareholder returns and profitability, and to avoid “empire building.)

When management responds favourably—and we see concrete evidence through actions, not words—we tend to commit more capital over time. Conversely, if we are met with mere lip service and little follow-through, we will sell and move on. (Having said this, we much prefer to be partners with management teams who are already highly aligned on the above principles, rather than investing in situations that require activism. In this sense, big mega caps require less work from us, but at the same time, they are more efficiently priced.)

Drivers of Value Creation: Repeatable patterns where value per share can rise even when the market is "noisy"

To better identify potential opportunities, we group the main drivers of value creation into a framework (see the table below, with more details in the appendix).

Beyond the most important factor—constantly seeking to strengthen and widen a business's competitive moat to grow intrinsic value per share—we have observed several recurring drivers over many years that can also help close the gap between price and value and, over time, drive market value appreciation.

<u>Drivers of Value Creation (More details in the Appendix)</u>

A) Mispricing / Market inefficiencies

1. Overreaction & temporary negatives (great business, short-term issue)
2. Plain cheap with balance sheet safety (boring, mispriced, survivable)
3. Neglected sectors / pessimism pockets (out-of-favour industries)

B) Corporate change / Value unlocking

4. Spin-offs & simplifications
5. Post-restructuring / post-reorg (cleaner balance sheet, cleaner story)
6. Asset sales & shrink-to-grow (non-core disposals, value realisation)
7. Sum-of-parts, hidden quality (GoodCo / BadCo economics)

C) People, governance, incentives

8. Management change / culture reset
9. Owner alignment signals (insider buying, dividend increases)
10. Constructive engagement catalyst (we engage; changes show up over time)

D) Balance sheet & capital allocation

11. Gradual deleveraging / refinancing-risk resolution
12. Value enhancing buybacks (disciplined buybacks that reduce net share count)

E) Business engine transitions

13. Engine transition (business model upgrade, asset “lighter” approach, mix shift, new profit pool leading to cyclical-to-secular transition)

F) Cycle dynamics

14. Demand/supply rebalancing, turnarounds and operational inflection points (order-wins, utilisation increase, better margins etc.)

G) Quiet domestic structural demand

15. Local, recurring needs (physical infrastructure upgrade & maintenance, transport network, foreign workers & students’ accommodation, SMEs Software as a service (SaaS), utilities, environment (water/waste), niche industries such as soil excavation, buildings demolition, preservation and restoration, interior design etc.)

A key contributor within our small- and mid-cap portfolio was Marco Polo Marine (MPM), which meaningfully outperformed in 2025 as the market began to recognise its shift from a historically cyclical, lower-value shipyard business towards a business with better earnings visibility, higher-quality work, and a longer strategic runway supported by offshore wind-related vessel demand.

Marco Polo Marine (+217% in 2025, ~15% contribution to overall portfolio gains)

Background – Offshore and marine cycle downturn, distressed situation

We first began following Marco Polo Marine ("MPM") at a time when the offshore and marine sector was deeply shaken by the aftermath of the post-2014 downturn. Industry conditions were depressed, vessel values were impaired, and many offshore-related companies in Singapore and the region were either financially stressed or operationally weakened, struggling to rebuild market credibility. MPM was no exception. At that time, MPM displayed many characteristics of a distressed or highly stressed equity situation — heavily indebted, highly dependent on an uncertain and prolonged recovery of the O&G cycle, elevated execution risk, and limited financing options.

White knights' rescue 2017 and stabilising the 'ship'

The key inflection point came in 2017 when Penguin International ("Penguin"), a highly respected player in the marine and offshore ecosystem, emerged as a strategic "white knight" investor in MPM, alongside other financial investors. This investment was significant not simply because it provided fresh capital, but because Penguin also took board representation, signalling meaningful governance oversight, alignment, and influence over future business direction. In our view, this was a pivotal stabilising event that effectively "stabilised the ship". Its presence strengthened confidence in corporate governance, improved capital discipline, and enhanced MPM's credibility with customers, suppliers, and financiers. Crucially, at a time when many distressed marine names lacked strong sponsors or strategic direction, Penguin's entry materially differentiated MPM from weaker peers and provided a credible anchor for recovery.

Investment theses

Our interest to invest was further reinforced by our prior familiarity with Penguin's management. Earlier in our careers, we had followed Penguin closely as investors, which gave us meaningful context on the calibre of its leadership and operating philosophy. We viewed Penguin's management team as serious, conservative businesspeople who are disciplined and careful with debt—an important advantage in a cyclical industry where leverage often becomes the difference between survival and permanent impairment. (Penguin itself subsequently became the subject of a privatisation effort led by its management, together with a fund backed by Temasek Holdings.) Penguin's willingness to step in as a white knight served a strong signal to us: we believed there had to be something fundamentally valuable in MPM for Penguin to commit capital (during such an uncertain period) and assume board responsibility.

Another key reason we invested in MPM three years ago was our view that the industry was moving into a classic survivor-driven recovery. After an extended oil-and-gas downcycle, we believed that once conditions stabilised, the remaining credible operators could earn surplus profits as utilisation and pricing recovered. Importantly, supply was structurally constrained: years of bankruptcies, restructurings, and capacity rationalisation had removed many competitors, making it difficult for supply to return quickly. In addition, banks have become more reluctant to finance oil-and-gas-related newbuilds, in part due to ESG considerations and tighter risk appetite. This further slowed the ability of the industry to add capacity, creating a favourable backdrop where any supply response is likely to be difficult and gradual, benefiting survivors with sound balance sheets and operational capability.

Management execution, recovery and business engine transition

Ultimately, however, the decisive driver of value creation was management execution, which we monitored closely over subsequent years. We believe Sean Lee (MPM's CEO) and his team deserve strong recognition for leading and executing the company's recovery and transformation. Under Sean's leadership, MPM demonstrated a sustained focus on operational delivery, disciplined capital allocation and strategic repositioning. The company's improved consistency in execution — across fleet strategy, shipyard operations, repair workflow, etc. — resulted in revenue growth at healthy margins and reinforced that the turnaround efforts were gaining momentum.

Over time, the thesis evolved meaningfully. What began as a cyclical recovery opportunity began to resemble a structural compounding setup due to improving industry dynamics and, importantly, MPM's strategic repositioning. The offshore and marine ecosystem has undergone meaningful capacity rationalisation since the mid-to-late 2010s, with weaker players exiting and survivors becoming more disciplined. This tightened regional capacity in repairs and dry-docking, supporting better utilisation and improving pricing dynamics for established yards.

Against this backdrop, MPM secured a three-year master service agreement with Cyan Renewables to provide comprehensive ship repair, maintenance, and conversion services for the customer's offshore wind vessels. Such longer-term service agreements are typically rare in an industry historically characterised by one-off, largely uncontracted relationships—reflecting the improved competitiveness and economics of MPM's ship repair business.

At the same time, offshore wind emerged as a multi-decade demand driver across markets such as Taiwan, Japan, and Korea. Offshore wind development requires specialised vessel support, long-duration charters, and high operational uptime — characteristics that align strongly with MPM's strategic move into building and chartering higher-specification offshore wind-linked vessels such as CSOV (Commissioning Service Operation Vessel) and CTV (Crew Transport Vessel), while maintaining the ship repair business as a stable and increasingly higher-value cash engine. At the same time, its early foray into building highly technical survey vessels has also borne fruit, with its first maiden ~S$198m contract win of a cutting-edge oceanographic research vessel (ORV) for Taiwan's National Academy of Marine Research. While still early days, this marked a significant step for it to explore further opportunities in the blue economy and marine research industry.

Increasing confidence in its value proposition and securing well-established customers

Today, we view MPM as having progressed well beyond a distressed or recovery thesis. Its revenue drivers have shifted meaningfully: from a business historically associated with traditional offshore activity and lower value-added shipyard work, to a more sophisticated, specialised vessel builder and solutions provider serving secular growth industries. At the same time, its ship repair activities continue to benefit from strong utilisation due to a structural capacity scarcity. Through its design partnerships with experienced European ship designers, MPM has developed capabilities that are increasingly rare in the region. It is now one of the few shipyards in the region that can build sophisticated offshore wind vessels as well as specialised research vessels to high specification. In effect, this gives customers access to European-standard vessels at Batam cost levels—a combination that enhances competitiveness, supports higher-value contracts, and strengthens the strategic moat of the yard. As a result, the company has increasingly been able to work with leading offshore wind participants, including global players such as Vestas and Siemens Gamesa, on the chartering side. In addition, MPM is teaming up with K Line—a subsidiary of Japan's Kawasaki Kisen Kaisha—to enter and expand its presence in the Japanese offshore wind market.

Unique situation, lessons and reminders

What is unique about this situation is that we were effectively able to invest at **near-distressed valuations**, then hold through both a cyclical recovery and an underlying **transformation of the business engine**. Our early entry price provided a meaningful margin of safety: even if the transformation did not materialise, or if the cycle recovery was delayed, we believed downside from our entry price would be limited because **(1)** the balance sheet had been materially strengthened—with the debt overhang substantially cleared following the white knights' capital injection—and **(2)** much of the bad news was already reflected in the valuation at the time of our investment.

From that starting point, we were able to access a highly asymmetric payoff profile — limited downside from a distressed entry price, with "free optionality" on the upside as execution improved, fundamentals strengthened, and the market eventually re-priced the company toward a more prosperous long-term future.

While MPM returned more than 200% in 2025, it is important to note that we experienced negligible returns over the prior three years from the point we first invested. We highlight this because it illustrates two lessons that are central to our investing approach.

First, “no returns” does not mean “no progress.”

In many cases, the most important improvements in a business occur beneath the surface, well before they show up in reported earnings—better governance, a healthier balance sheet, stronger execution, capability build-up, growing customer credibility, and a transition towards more resilient, recurring earnings streams.

In MPM’s case, the company has been explicit in its rationale for focusing on the growing offshore wind markets in the region and has demonstrated concrete progress. This represents a shift from largely cyclical revenue drivers toward more secular growth markets—implying the potential for stronger, more recurring cash flows over time. A forward-looking and patient investor can take advantage of the disconnect between improving fundamental progress and still-muted share price action.

Second, what looks like success is often just the result of sustained patience. Outperformance rarely arrives in a smooth, linear fashion. Business transformations come with risks, false starts, and execution delays. It can take years of groundwork, gradual repositioning, building new capabilities, earning the trust of new customers, and executing well at scale.

MPM’s investment reinforces that having a long-term horizon and “sticky capital” is a genuine edge: it allows one to own improving businesses through periods when the market is not yet paying attention and gives the theses enough time to play out.

(If you can monitor companies the way you watch a movie—through a developmental lens rather than a static snapshot—and stay anchored on intrinsic business value rather than stock prices, and stay patient enough, there will almost always be opportunities in the market.)

Market re-rating

The market has begun to re-rate MPM accordingly — from a typical single-digit P/E multiple often applied to a localised, oil-and-gas cyclical company, towards a mid-teens multiple more consistent with a regional provider of recurring, higher-value solutions, justified by improving earnings quality, greater visibility, and a clearer long-term growth runway.

We believe MPM’s transformation is still in its early stages, and we intend to remain patient, long-term shareholders as value continues to be created. We certainly hope that the next time we discuss the company with you, it will be in our “great businesses” category. While certainly not all our small-cap holdings have the potential to transform into structurally better businesses, we do have a few other holdings in the early-to-mid stages of meaningful transformation. We are excited to see how management execution and key developments unfold, and we look forward to sharing updates with you in the future.

Detractors and flattish positions in our long-term investment portfolio

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Apollo Global Management and KKR

In 2025, both stocks were down for the year — APO -11.1% and KKR -13.3%. We believe there are two main reasons for this underperformance.

The first is related to valuations. After a strong run in 2023-2024, where share prices ran up much faster than earnings, both companies started the year at what we believe were high valuations — APO at 19x PE and KKR at 25x PE. Thus, even as earnings continued to grow in 2025, valuations came down even more (due to the second reason, which we will elaborate on soon), which resulted in the negative share price performances.

The second reason is industry specific. The alternative asset management industry was out of favour in 2025, with two main concerns regarding private equity and private credit.

- In private equity, the headlines mainly revolved around private equity funds being forced to hold investments for longer, hence unable to return capital to their limited partners, hence leading to a tough fundraising environment as these limited partners are unable/unwilling to invest more in private equity.
- As for private credit, the collapse of First Brands and Tricolor in late 2025 — companies that tapped into private credit for funding — raised concerns around the opaque nature of the industry, and increased fears that more bankruptcies and defaults would follow.

In light of these concerns, KKR's Co-CEO Scott Nuttal said during the Q3 2025 earnings call: "*…it is really hard to paint our whole industry with one brush…So our experience is quite a bit different than what we're reading in the headlines, I think that's the punchline.*"

The facts so far support that. Despite the negative headlines, we are glad to see that the underlying business fundamentals of APO and KKR continue to perform during the year. As of 3Q2025, over the last twelve months,

- APO's AUM, management fees and fee-related earnings have grown 23.9%, 19.6% and 21.7%, respectively
- KKR's AUM, management fees and fee-related earnings have grown 15.8%, 16.3% and 15.6%, respectively

We believed the volatility of the share prices of these companies provided an opportunity, and we were glad to add to our positions at what we believe to be reasonable valuations. These are businesses we expect to own for many years.

We continue to see several tailwinds in the industry — individual investors increasingly looking to allocate to alternative assets, increased demand for investment-grade private credit, traditional asset managers looking for private market exposure, etc., and believe that APO and KKR are well-positioned to benefit, and that their AUM, fees and earnings will continue to grow and compound for many years to come. (More details on this thesis can be found in our Q3 2025 letter)

US commercial offices and China retail malls landlord

For two years in a row, our selected investments in companies operating US commercial offices and retail malls in China have not delivered returns. We continue to monitor important indicators, including leasing conditions, tenants' demand, refinancing risk and asset values. We continue to be patient and will act decisively when we see stronger evidence that earnings and cash flows are improving over time.

Reflections on detractors/flattish positions

It is also important to emphasise that in any single year, detractors and flattish positions are not necessarily "failed investments." In many cases, they reflect timing, prevailing sentiments and market cycles rather than a broken thesis. The investment game does not end after one calendar year — outcomes often play out over multiple years, especially in businesses where earnings and asset values grow slowly and steadily. Also, as one holds stocks long enough over many years, there are bound to be periods where stock prices temporarily run ahead of fundamentals and vice versa.

We do not expect every position in our portfolio to perform every year. What we require instead is that each company maintain a strong and resilient balance sheet, remain competitively positioned operationally, and have management that is committed to widening its long-term economic moat. When these conditions hold, these positions retain their abilities to outperform and generate meaningful gains over time. Periods of underperformance can thus create attractive opportunities for us to deploy incremental capital into temporarily undervalued positions.

There are (and will continue to be) investments that fail, and that we recognise as genuine mistakes of commission—misjudged turnarounds, or instances where we paid too much for what ultimately proved to be a mediocre business. That said, when we become disappointed in a business, it typically shrinks to a smaller and smaller percentage of the portfolio over time, simply because it is not compounding. Much like evolution, the weaker species (businesses) that fail to adapt gradually wither and diminish in relevance. The better businesses, by contrast, naturally become a more important part of the mix as they develop strongly over time, with a corresponding rising market value. In this way, through natural portfolio dynamics, more capital ends up in the positions that work, and the portfolio gradually becomes more concentrated in the winning businesses.

Portfolio construction, concentration and resulting volatility; Dividends

As of Dec 31st, 2025, our top 15 holdings constituted ~61% of our overall AUM.

We are willing to concentrate capital when we see highly favourable, asymmetric long-term outcomes, especially in companies we have followed closely for a long time. We also like to scout for opportunities in areas that are temporarily out of favour. Concentrated and unpopular investing can mean that our performance comes with higher near-term price swings, even when long-term fundamentals are improving.

Investors should thus expect periods of significant volatility and occasional drawdowns. If one requires smooth month-to-month returns, our fund is not the right fit.

We accept this discomfort because markets (and life) are seldom linear, and living through periodic volatility is inevitable in the process of long-term compounding. Put simply, we would much rather earn a bumpy 15% than a smooth 10%.

We are, however, careful not to take on risks unless we believe we are adequately compensated. We do not accept risk for its own sake, and certainly not in the name of diversification alone.

A portfolio stabilising feature is that we prefer to own businesses that generate real cash flows and return a portion of that cash to shareholders. More than 90% of our long-term holdings pay dividends—not because we deliberately pursue yield, but because dividend-paying businesses often exhibit stronger cash discipline, more resilient balance sheets, and clearer capital allocation frameworks. (And we fully expect the remaining holdings to start dishing out dividends in the coming year or two.)

Importantly, dividend yield can act as an anchor for share prices, especially during periods of broad macro uncertainty and risk-off selling. This “carry” and valuation support is particularly important for a fund like ours that utilises some gearing, as it helps cushion mark-to-market volatility and reduces the risk of being forced to sell good assets at the wrong time.

Over time, reinvesting our dividends can also contribute meaningfully to compounding, particularly during volatile market periods.

Active Long/Short trading (~20% AUM)

Our active long/short trading contributed ~10% to our total returns for the year.

These trades include, among others:

- Short-term opportunities
- Volatility harvesting
- Tactical rotation
- Catalysts

Over time, we expect the contribution from shorter-term trading to become a smaller part of overall returns. This is not because trading opportunities disappear, but because our focus is increasingly on building returns through durable compounding rather than frequent activity. Trading can be useful when markets undergo periodic macroeconomic related volatility and/or misprice information or when cycles create short-lived dislocations, but it is not the foundation of long-term wealth creation.

Another change we have observed as our strategy matured is that what we previously classified as “trades” now tend to have longer holding periods than in our earlier years. This reflects a shift in how we allocate capital: we are less focused on short-term price movements and more focused on allowing time for fundamental value to emerge. Even when an idea begins as a tactical opportunity—around cycles, earnings dislocations, or positioning—our holding period is increasingly longer, often determined by how the underlying thesis develops rather than by a predefined time horizon.

Importantly, longer tenures do not mean looser standards. **Our risk management for these positions remains as tight as it has always been**. We are deliberate on sizing; we define clearly what must be true for the thesis to hold, and we act decisively when facts change. In other words, we may give good theses more time to play out, but we do not give bad ones more room.

We will continue to act opportunistically when risk-reward is clearly skewed in our favour, but we have no desire to force activity. Our objective is not to trade more, but to allocate capital where we believe the long-term odds are best. Hence, over time, we expect the overall portfolio’s returns to be driven predominantly by the businesses we own, with tactical trading positions playing an increasingly supportive role.

<u>Meaningful trades in 2025</u>

<u>Gold Miner and Crude palm oil (CPO) producers</u>

In the past year, two of our profitable trading themes included ownership of a Malaysian gold miner and two Indonesian crude palm oil producers, where favourable commodity dynamics and cheap prevailing valuations created attractive risk-reward opportunities.

The gold-miner trade was initiated after a margin-focused setup caught our attention: gold prices have been rising materially faster than miners' AISC (all-in sustaining costs). If this persists, it can translate into significantly higher profitability—and potentially a valuation re-rating if current price strength holds.

The two Indonesian CPO producers' trades were driven by demand–supply dynamics. Indonesia (one of the world's key exporters) has raised its biodiesel blending mandate over the past two years from B30 to B40, increasing domestic consumption and tightening export availability. Potential policy developments, including the government's stated intention to progress toward a B50 mandate, would be further supportive for domestic CPO demand if enacted.

At the same time, we also judged that supply would be slow to respond, given aging plantation profiles in both Malaysia and Indonesia that weigh on productivity and constraints around replanting (capital, timelines, and land availability), limiting near-term output growth.

Importantly, all three stocks provided us an attractive dividend yield of 3-5% at our entry price, allowing us to be paid adequately while waiting for our thesis to play out.

All three stocks have performed well and are up 40 – 80% respectively so far.

<u>Leading memory chip manufacturer</u>

Around late 3Q25, we also initiated a position in a leading South Korean memory-chip manufacturer, one of the three global scale players in memory. We viewed the setup as attractive amid tight supply conditions across both HBM and conventional memory (DRAM and NAND), with it being well-positioned to benefit from the current pricing and contracting environment. We were also attracted by its comparatively more palatable valuation versus peers: at our entry price, the stock was trading at approximately **~6x forward earnings**, and management/industry contracting dynamics suggested that **2026 output was effectively contracted/sold out**, supporting our conviction in earnings visibility.

We are mindful that we may be entering the position near peak earnings and peak capex for the cycle. Accordingly, we are closely monitoring forward demand–supply indicators—particularly AI hyperscalers' capacity and HBM procurement plans—as well as broader DRAM/NAND pricing, inventory, and capex signals across the industry.

In general, the more commoditized the company or industry, the lower our conviction in long-term fundamental durability (unless proven otherwise). Accordingly, we frame these positions as **trades**—sized and managed around cycles, valuations, and demand–supply conditions—rather than long-term buy-and-hold investments.

Beyond these, we also executed numerous smaller, tactical trades to capitalize on flows and periodic market volatility. These were generally more opportunistic in nature and offered fewer durable, thesis-driven insights, so we omit them from the current discussion.

Quantitative Strategy (~5% of AUM)

Over the course of 2025, our quantitative strategy operated in a market environment oscillating between policy-driven fear and sentiment-led rallies. The strategy delivered strong positive absolute performance (over 20% for the year) but lagged select regional benchmarks—most notably Hong Kong indices (HSCI: +30%)—during periods dominated by high-beta, lower-quality, and speculative segments. This outcome was fully consistent with the strategy's design, which is anchored in a disciplined Quality–Value–Momentum framework with explicit exclusions (e.g. commodities, pharmaceuticals, banks), where accounting distortions, cyclicality, or binary risk events can undermine signal stability and dilute factor integrity.

In Hong Kong, headline gains driven by record Southbound Connect inflows, AI optimism, and rate-cut expectations masked highly concentrated performance. The HSCI rose 30%, led by Metals & Mining (Hang Seng Materials Index: +161%) and pharmaceuticals (Hang Seng Healthcare Index: +57%). The Materials rally—dominated by gold and silver names—reflected record gold prices amid inflation concerns, tariffs, and geopolitical risk, while healthcare benefited from record inflows, licensing momentum, and overseas expansion. These forces were structurally underrepresented in a conservative, quality-biased multi-factor framework. By contrast, Consumer Staples, our preferred hunting ground for stable, cash-flow-generative businesses, returned just 12.5%, weighed down by uneven China demand and fragile consumer confidence. Where valuations and fundamentals aligned most clearly, our strongest opportunities were in China insurers, expressed through an overweight in the sector from our holdings in China Life (+96%) and New China Life (+130%), supported by strong balance sheets, improving fundamentals, and disciplined capital management. From a factor perspective, Value and Momentum outperformed amid an extreme re-rating of cyclicals and old-economy sectors, amplified by Southbound flows and rate cuts, while Quality and Low Volatility lagged in the risk-on environment.

In the US, index-level gains (SPX: +18%) were similarly concentrated, driven primarily by AI- and capex-related themes. Communication Services rose ~32%, supported by mega-cap platforms monetising AI via digital advertising, content ecosystems, and scale, benefiting from both earnings growth and valuation expansion. Information Technology gained ~23%, extending its multi-year leadership as AI, cloud, and semiconductors captured a disproportionate share of the equity risk premium. Industrials also outperformed, with defence, aerospace, and data-center capital goods benefiting from geopolitical rearmament and AI-driven infrastructure build-out, while metals and mining ranked among the strongest cyclicals, delivering mid-80% returns on surging demand for critical materials. From a factor perspective, Value initially outperformed as tariff-policy uncertainty rose, but following Liberation Day, leadership shifted decisively toward Growth and larger-cap stocks (SPX: +18% vs. SPW: +11%), particularly among AI and platform businesses, leaving Value and small size lagging. Quality and Low Volatility also underperformed in the sustained post–Liberation Day risk-on environment.

As outlined in our quarterly letters, we maintained a measured cash buffer (within the strategy) through most of the year due to elevated valuation and policy uncertainties and expect to continue this positioning into 2026. The migration of our system, initiated in 2025, will also continue into 2026, with the objective of improving data access and backtesting capabilities.

Looking ahead, we remain confident that a disciplined, conservative factor framework—continuously refined but not reinvented—offers the most reliable path to delivering durable, risk-adjusted returns across a full market cycle, even if it periodically lags during exuberant phases.

Other Thoughts and Matters of Importance

Opportunities in depressed industries and adjacent AI beneficiaries

There remain many pockets of pessimism in today's uneven market. U.S. commercial real estate, China's residential and selected retail property companies, as well as coal and container shipping, continue to trade at or near depressed valuations—reflecting the genuine uncertainties investors see in these industries. We believe there is bound to be value somewhere within these industries; the work is to be selective enough to find it and to stay patient.

Even though frontier AI-related companies are trading at high valuations, there are still several **adjacent opportunities** we can explore—businesses that benefit from AI adoption and capex without requiring us to pay for the most optimistic assumptions embedded in the "pure AI" names.

We look for "second order" beneficiaries where demand is visible, and valuations remain palatable, as the market often focuses more on the most obvious winners.

Rising data-centre construction and electrification needs are benefiting providers of mission-critical power distribution, controls and systems integration. At the same time, expanding US LNG supply capacity also drives demand for similar electrical and control infrastructure.

Within the entire semiconductor supply chain, we analyse the downstream chain where data-centre demand ultimately feeds through to fabs activity and semiconductor equipment spending, resulting in equipment supply-chain orders with a lag. This "time diversity", where some links in the chain move early (data-centre capex), while other beneficiaries may see order flow later, allows us to identify opportunities across different parts of the supply chain at different time horizons.

Beyond the above, we will focus on businesses in the early stages of "business engine transitions"—from cyclical to more secular growth or from asset-heavy to asset-light—aimed at achieving higher ROIC. We will also look for companies committed to capital recycling, deleveraging and other value-unlocking initiatives (e.g., divestments, restructuring, simplification, or improved capital allocation), and alongside companies benefiting from quiet structural demand.

At the same time, we will stay alert and opportunistic when good businesses face temporary difficulties and become mispriced.

<u>Partnership that predates the fund; Putting all our money into one closely watched basket and sustaining a culture of alignment of interests</u>

Avrian, Tim and I have worked together since 2008, and our partnership stretches back well before our fund was launched in 2019. We have lived through multiple market regimes together—periods of stress, periods of euphoria, and long stretches where patience was required. That experience is now part of our risk management. When you have made decisions together through very different environments, you are less likely to overreact, less likely to chase narratives, and more likely to stick to what has worked: rationality, discipline, humility, and a long-term ownership mindset.

Since the fund's inception, we have also been fortunate to attract five younger and highly capable team members. They each enjoy what they do and work well with one another. Importantly, they are reliable and trustworthy individuals who approach investing with discipline, consider risks first before returns, and prioritise sound judgement over blind optimism.

Therefore, the three of us have chosen to remain highly invested in the fund, with more than **90% of our wealth** invested alongside yours. Each year, we also reinvest a significant portion of performance fees back into the fund. Our younger team members likewise have a sizeable part of their net worth invested, and we fully expect this to grow over time.

All our energy and focus go into this one, single fund. We do not run multiple products or opportunistic vehicles (and we do not operate any separate managed accounts). We have a single aim: to compound NAV/share at a reasonable rate over a long period of time.

The three of us want to have the same long-term ownership mindset embedded in our younger team. We are not going to let people who are not substantially invested help steward our carefully accumulated wealth. In short, if performance is poor, we should all suffer together and therefore feel even more motivated to bring things back on track over time.

This level of internal capital also reinforces personal responsibility for fund operational costs. When you are spending your own money, prudence becomes the default, not a slogan. Everyone plays a part in keeping our expense ratio structurally low—targeting no more than 0.3% annually and ideally trending lower over time—because a dollar saved can be worth many dollars earned when reinvested wisely over the years.

We believe this is the right way to behave, and this arrangement has helped create a deep culture of long-term alignment and frugality. So far, we have had no employee attrition since inception, which supports knowledge retention and, importantly, the consistency and reliability of our track record.

I believe if we are to continue outperforming over time, we must maintain a true long-term ownership and performance-oriented mindset and guard fiercely against a culture of being “just the General Partners (GP)” collecting fees.

Updates on organisational responsibilities, research focus and our best “defence”

In 2025, we made a deliberate organisational change: we transitioned Sebastian from a trading-focused role into an equity research role. This reflects how our investment process has evolved—more emphasis toward deeper, repeatable fundamental work that supports long-term compounding.

At the same time, we remain intentional about how we structure research. While team members may focus on specific regions for coverage and sourcing, our analysts are generalists in mindset. We encourage broad, cross-sector thinking and the ability to compare opportunities across geographies and industries, rather than becoming narrowly specialised. We believe this generalist approach improves judgement, reduces blind spots, and helps us allocate capital to the best opportunities globally, wherever they arise.

Not every analyst will become a successful PM, and we really do not expect that. But if we develop even one or two disciplined capital allocators, the long-term value created will be enormous.

Eventually though, our best defence is owning an appropriately diversified portfolio of highly productive assets (at the right price) that, more or less, do well *automatically* over time—businesses with durable economic moats and run by competent and committed management. If we get that right, we will do well even if we occasionally make mistakes, such as overpaying or simply being away (or falling asleep in the office).

Concluding

Last year was an exceptional year—one that we should not expect to recur under normal circumstances. You should understand that Avrian, Tim, and I would be delighted if we can compound our own wealth at around 15% (~20% including moderate leverage) per year on average over the next 20 years, knowing full well that we will have our fair share of strong years and weak ones along the way. Above all, our priority is to avoid permanent loss of capital.

Even as the fund has grown, we have chosen to keep overheads modest. We believe long-term compounding is built on discipline and temperament, not appearances. Over time, we hope you treat AGT as a vehicle for you to own great businesses and great bargains—and to compound your wealth for future generations (and not trade in or out due to monthly NAV fluctuations or based on an opinion on where markets will go next)—because you trust how we will behave, especially when conditions are difficult.

Thank you for reading. We welcome you to contact us, and we are always happy to speak with you about your investments.

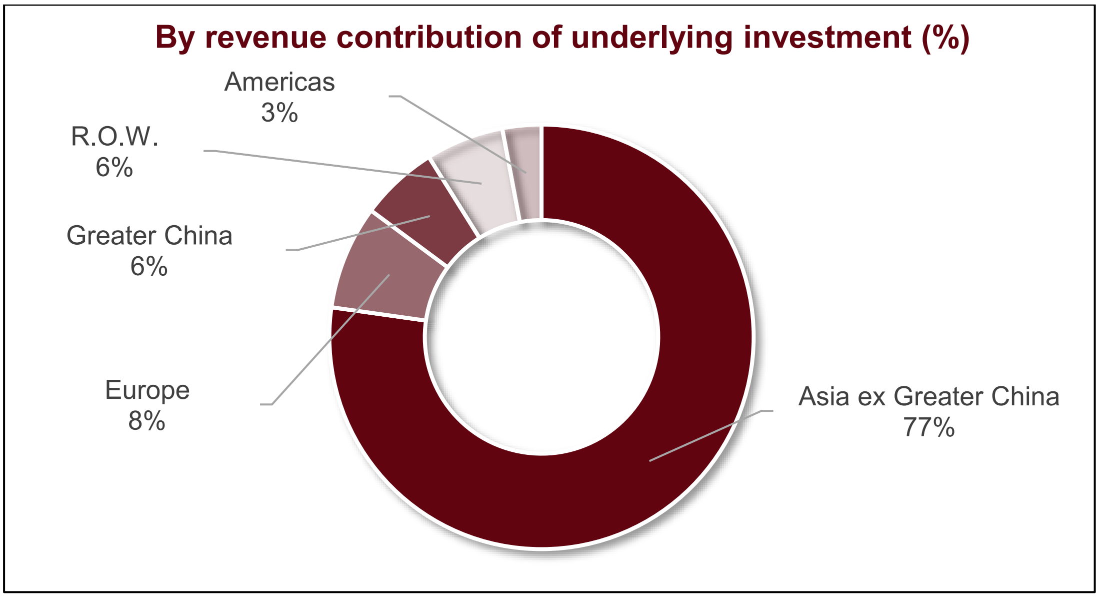
Take care and speak with you soon. Above all else, please continue to stay healthy.

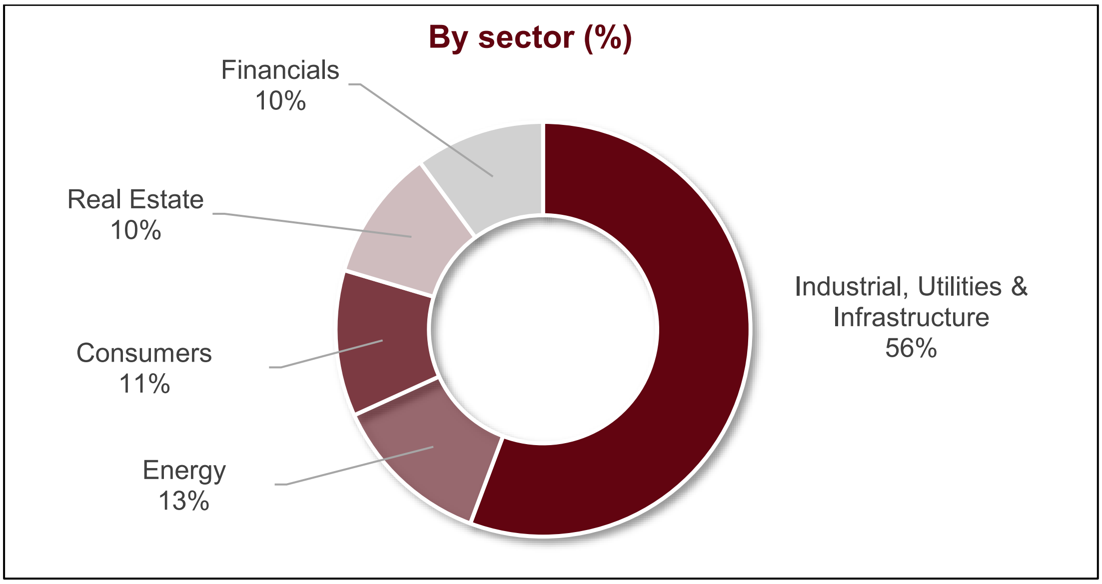
Greg,

On behalf of the whole AGT team

Appendix

Portfolio's Constitution by Geography and Industry (As of Dec 2025)





Key Facts (As of Dec 2025)

Strategy allocation as % of AUM	
Long-term investments:	~75%
Active trading (Short-term)	~20%
Quantitative investments	~5%
Portfolio concentration:	
# of positions	>30
Top 15 holdings	~61%
Largest holding	~10%
Target holding period	>3 - 5 years
Selected portfolio metrics (TTM)	
Return on equity (ROE)	~25%
Price to earnings (P/E)	~18x
Dividend yield	~2.3%
Gearing and Exposure	
Longs (Gross)	~156%
Shorts (Gross)	~0%
Net exposure	~156%
Gearing level	<200%

Historical Monthly Performance (Net of all fees)

Class A (SGD)

%	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%
2025	4.1%	-1.4%	4.7%	0.8%	7.7%	8.2%	21.9%	12.2%	3.2%	4.0%	-1.4%	5.6%	93.2%

Class B (USD)

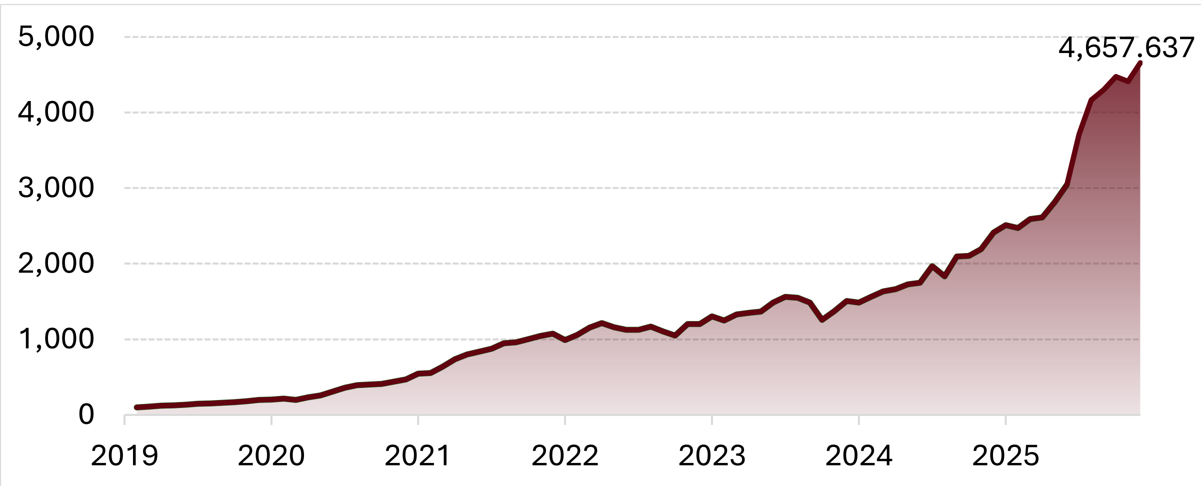
%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024			4.3%	0.8%	4.5%	1.1%	13.6%	-4.8%	15.6%	-2.1%	3.3%	7.8%	51.5%
2025	4.6%	-0.9%	5.2%	3.2%	8.6%	9.5%	19.1%	13.0%	2.8%	3.2%	-1.0%	6.2%	100.8%

Class C (SGD)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025									3.0%	4.0%	-1.3%	5.5%	11.5%

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 to June 2021. Subsequent (July 2021 onwards) returns are administered by Trident Trust. All returns audited by EisnerAmper.

Drivers of value creation

A) Mispricing / Market inefficiencies

1) Overreaction and temporary negatives in great businesses

Great business: short-term issue creates a discount.

From time to time, a high-quality business is marked down because of a temporary setback—an earnings dip, a one-off event, a regulatory headline, or a cyclical trough. If the franchise strength, balance sheet, and long-term economics remain intact, falling prices can increase long-term expected returns. We analyse whether the issue is truly temporary and whether intrinsic value is still compounding while sentiment is weak.

2) Plain cheap with balance sheet safety / Underrated quality

Good business; the market underestimates durability and cashflows.

Some businesses are consistently underrated because they're "boring," misunderstood, or poorly packaged for storytelling—despite having resilient cash generation and sensible capital allocation. These can offer attractive risk-adjusted returns without relying on heroic assumptions. Our focus is on proving the business quality with evidence: repeatability of earnings, competitive positioning, and downside resilience.

3) Neglected sectors / pessimism pockets

Out-of-favour industries where expectations are already low.

Markets often get crowded in what's popular and abandon what's uncomfortable. In neglected sectors, prices can discount overly pessimistic scenarios, creating a margin of safety. We look for survivors with strong balance sheets, rational industry behaviour, and a clear path for uncertainty to decline—even if the headlines remain negative.

B) Corporate change / Value unlocking

4) Spin-offs & simplifications

Complexity is reduced; value becomes easier to see.

Spin-offs and simplifications can unlock value by removing conglomerate discounts, improving accountability, and sharpening management incentives. Often, the "new" company becomes easier to analyse and may attract the right shareholder base. We watch for governance quality, capital allocation discipline post-transaction, and whether the simplified structure improves returns on capital.

5) Post-restructuring / balance sheet repair

Cleaner capital structure improves survivability and valuation quality.

After a restructuring, the story can shift from "fragile" to "viable." The compounding lever is not excitement—it's reduced fragility: lower interest burden, fewer covenant constraints, and better strategic freedom. We focus on whether the repair is real (not cosmetic), whether incentives are aligned, and whether the business can self-fund its way forward.

6) Asset sales & "shrink to grow"

Sell non-core assets; focus improves and risk reduces.

Selling non-core assets can be quietly powerful when it pays down debt, funds buybacks/dividends, or allows management to focus on the best economics. In many cases, the market only recognises value after proceeds are deployed sensibly. We watch pricing discipline (no fire sales), use of proceeds, and whether the remaining business is structurally better.

7) Sum-of-parts / hidden-quality segments

One segment masks another; valuation misses the good parts.

Some companies contain a high-quality business that is obscured by a weaker segment, legacy baggage, or consolidated reporting. Value can emerge when the "good" segment grows, when disclosure improves, or when the portfolio is rationalised. We seek to understand the "good" unit economics, how capital is allocated between segments, and whether management will surface value for minority shareholders.

C) People, governance, incentives

8) Management change / culture reset

New leadership can alter execution, discipline, and priorities.

A credible management change can reset culture, cost discipline, and capital allocation—especially when prior leadership was complacent or misaligned. The value driver is behavioural: better decisions repeated over time. We don't buy the headline; we look for follow-through—early actions, clearer KPIs, improved disclosure, and tangible operating improvements.

9) Owner-alignment signals

Insiders act like owners: dividends, buybacks, skin-in-game.

Owner-oriented managers tend to behave differently: they return surplus cash, buy back shares when undervalued, avoid empire-building, and communicate in an owner's language. These signals don't guarantee success, but they meaningfully improve the odds. We look for consistency between words and actions, and whether capital allocation choices increase intrinsic value per share.

10) Constructive long-term ownership

Engagement improves governance and capital allocation over time.

In smaller companies, especially, good outcomes often require more than analysis—they require knowing management, monitoring behaviour, and encouraging owner-minded choices privately. Over time, repeated engagement improves our understanding significantly. That depth matters most when markets are unsettled. During short-term panic and sharp price declines, a well-informed owner is less likely to confuse volatility with impairment. Our ongoing engagement helps us distinguish between a temporary mark-to-market decline and a genuine deterioration in intrinsic value. This, in turn, allows us to hold good businesses through noise—and to increase only when conviction is earned and prices offer a margin of safety.

(While we enjoy constructive engagement, our preference is to invest alongside teams that require minimal change: management that is already dedicated to business transition, disciplined capital allocators, and aligned with minority shareholder interests.)

D) Balance sheet & capital allocation

11) Gradual deleveraging / refinancing-risk resolution

Lower debt reduces fragility; valuation can improve quietly.

When leverage declines steadily, the equity often becomes a different asset: less forced-selling risk, lower financing burden, and more freedom for dividends or buybacks. The market may not reward it immediately, but it often re-rates once refinancing fears fade. We track debt maturity profiles, cash generation, asset sales quality, and the discipline to keep reducing risk.

12) Value-creating buybacks

Share count falls at good prices; per-share value rises.

Buybacks add the most value when done at attractive valuations, funded by genuine free cash flow, and not at the expense of balance sheet safety. They can make falling prices less frightening because the company itself becomes the buyer. We watch net share count reduction, buyback price discipline, and whether management treats share repurchases as capital allocation—not optics.

E) Business engine transitions

13) Engine transition

Profit pool shifts; a better business emerges over time.

Engine transitions happen when a company upgrades its economics—new products, better mix, recurring revenue, pricing power, or structurally higher ROIC. These transitions can be mispriced early because the market anchors on old numbers. We look for proof points: unit economics, customer behaviour, churn/retention, margin structure, and evidence that the new engine can scale.

F) Cycle dynamics

14) Demand/supply rebalancing, turnarounds and operational inflection points
Many industries and individual companies move in cycles—driven by inventory, capacity, credit conditions, sentiment, and short-term supply/demand imbalances. These cycles can create periods where prices become disconnected from underlying earnings power. Our focus is on identifying where we are in the cycle (approximately), whether fundamentals are stabilising or improving beneath the surface, and whether management actions (cost resets, balance sheet repair, disciplined capex) can translate a cyclical trough into a stronger medium-term earnings base. We aim to use those moments to build or add to positions at attractive valuations, when downside is better protected, and the upside can be amplified as conditions normalize

Orders, utilisation, or margins turn after a trough.

Some opportunities are driven by measurable operating turns: order wins, capacity utilisation rises, margins normalise, or cost-cutting actions showing up in results. The key is to distinguish a real inflection from a temporary bounce. We use active management engagements, channel checks, and competitor reads to avoid "false dawns" and, importantly, to pace our capital allocation accordingly.

G) Quiet domestic structural demand

15) Local, recurring needs

Renewal, housing, utilities, services. (Businesses we sleep well with)

Some demand drivers are not headline growth stories—they are steady, long-term structural needs guided by demographics, regulation, and ageing infrastructure.

In Singapore, this can include construction, building renewal and maintenance, public housing upgrading programmes, utilities-like services such as road maintenance and soil excavation, and liveability infrastructure such as transport and environment.

An added advantage is that parts of domestic construction and infrastructure can be counter-cyclical at times: when growth slows, governments may ramp up public spending to support employment and activity, which can help stabilise demand for essential projects even when private-sector sentiment weakens.

We like these situations because they are typically less exposed to global trade shocks and tariffs, and because the return profile can be supported by recurring work rather than perfect macro conditions. We prefer disciplined operators in these categories, with cash generation and governance that allow compounding without drama.

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