



The Big Dip

Commentaries: March 2026

Return (%)	Mar-26	Year-To-Date	Since Inception (Dec 22)
Tradeview Sustainability Fund (TSF)	-7.0%	-9.2%	20.7%
FBM KLCI Index	-1.5%	0.6%	14.4%
FBM 100 Index	-2.1%	0.6%	18.1%
FBM Small Cap Index	-7.1%	-7.1%	-3.8%

Performance vs Benchmark

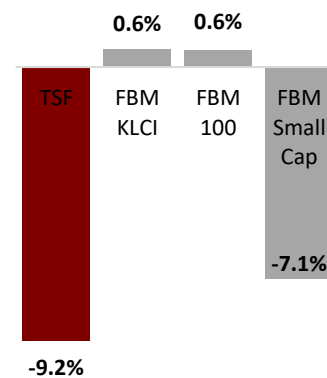
The Malaysian equity market faced heightened volatility in March 2026, with the FBM KLCI ending 1.5% lower at 1,690 points. Middle East tensions drove oil prices sharply higher, fuelling inflation and supply concerns. Smaller cap counters were hit particularly hard, as reflected in the 7.1% decline in the FBM Small Cap Index.

Foreign investors turned net sellers during the month, causing their shareholding level to fall by 0.3% to 18.9% by end-March. These selling pressures were absorbed by both domestic institutions and retail investors.

Unsurprisingly, sectors linked to energy commodities such as Plantation (+8.6%), Industrial (+7.1%) and Energy (+5.8%) led gains in March. The lagging sectors were Construction (-11.2%), Technology (-9.6%) and Consumer (-8.3%). Higher diesel prices, rising interest rate expectations, and spikes in raw material costs arising from the war in Iran drove pessimism in these sectors respectively.

Tradeview Sustainability Fund (TSF) returned -7.0% in March (YTD -9.2%), trailing the KLCI. Our H.K. tech positions were hit by the rise in bond yields, which caused a rotation out of growth names into energy/commodities-related value plays. At the same time, this also reflects our overweight in the small/mid-cap segment locally.

YTD Performance





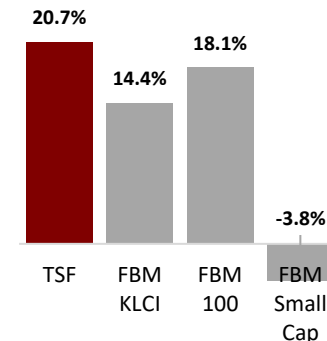
Portfolio Deep Dive

During the month, we took advantage of the sell-down to initiate positions in two airline stocks (AirAsia X and Singapore Airlines), while also continuing to add to our holdings in H.K. tech and local banks. As we are adopting a barbell strategy to manage geopolitical risk, we entered into names that we believe could gain from a prolonged period of conflict, including Press Metal Aluminium, Sarawak Oil Palms, and Yinson. These are some of the contrarian play that we adopted in the face of extreme volatility swing which will stand to benefit in the event of market selloff reversal.

To increase cash for deployment, we also lock in gains by trimming or exiting multiple positions such as Farm Fresh, MISC, Dayang, Powerwell, YTL Hospitality REITs, Hyphens Pharma, and Ping An Insurance.

Looking ahead, we remain focused on fundamentally resilient companies with strong balance sheets, low leverage (preferably net cash), and consistent free cash flow. Our strategy continues to favour domestic-oriented businesses that benefit from ongoing policy support, while maintaining a balanced mix of dividend yielders or stocks with blue chip characteristics for downside protection and growth names with re-rating potential. The recent underperformance in sectors such as consumer, tourism, technology, industrials, and construction also presents selective opportunities as the year progresses. In addition, we are gradually increasing exposure to select Asian markets, where we see scope for a rotation of foreign funds out of the U.S.

Since Inception



Global Markets Commentary

Globally, equity markets lost momentum in March as geopolitical and inflation fears came to the fore. The outbreak of conflict in the Middle East drove oil prices sharply higher, stoking inflation concerns and fuelling a scramble into safe-haven assets. Tech stocks, which had led earlier gains, reversed course.

While the U.S. market was not spared, it performed relatively well compared with most other major markets. Both the S&P 500 and the Nasdaq Composite indices ended down by only around 5% for March. Slowing economic growth, underwhelming job additions, and rising inflation expectations are challenging the narrative of U.S. corporate earnings resiliency.

On the other hand, tech-heavy markets such as Korea and Taiwan plunged by 19.1% and 10.4% respectively during the month. Hong Kong's tech shares also underperformed sharply, causing a 6.9% decline in the Hang Seng Index. Nevertheless, we see evidence of improvement in Chinese exports and manufacturing activity during March from actual data flow.

The Malaysian market stood out, with the FBM KLCI dipping by only 1.5%. Our position as a net oil and gas exporter, together with a diversified economy, positioned us well to weather the ongoing energy



crisis. Economic fundamentals also remain solid, with GDP growing well above target, unemployment nearing a decade low, and inflation largely muted.

Closing Remarks

Markets entered March on the edge from soaring oil prices and geopolitics. The outlook going forward hinges on the evolution of Middle East tensions and inflation — a resolution could rekindle global rallies, whereas prolonged conflict would keep risk sentiment subdued in the near term.

While we remain selectively optimistic, we are concerned about the huge implications for global economic growth should the crisis in the Strait of Hormuz remain unresolved. With an aim to balance downside protection and upside participation, we have adopted a barbell approach in terms of sector diversification. Our philosophy has not changed — we will always focus on companies with strong fundamentals, avoid overvalued trades, and maintain liquidity for tactical allocation.

For clients with investments in our flagship fund, Tradeview Sustainability Fund, we are pleased to announce that it made a distribution of 7.12 sen per unit on 31 March, which was made entirely out of realised profits. This reflects a yield of 6.2% for those who invested from the beginning of 2025. With 3 years track record under our belt, we have consistently paid out higher dividends than EPF and other statutory savings schemes. The market selloff may well present an opportunity for us to bottom fish and build a strong position for market reversal. However, the time horizon may drag out this time around with elevated oil price. We appreciate the continued trust and patience in us, and we look forward to riding this out with all our valued clients. Rest assured that we are working very hard to protect the capital of our investments.

Sincerely,

Neoh Jia Man,
Portfolio Manager of Tradeview Capital