

HIGHLIGHTS

Market Review

- ▶ November saw a strong rebound in markets; global equities and bonds rallied 7.81% and 4.71%, respectively.
- ▶ Market exuberance was fueled by hopes of peaking inflation and further supported by a potential rebound in Chinese demand as covid restrictions start to ease.
- ▶ Emerging Market equities were the talk of the town; delivering close to 2x outperformance compared to developed markets and global equities.

- ▶ Sound investing involves buying what is going to do well, not what has done well before. Our FVT process allows us to identify attractive opportunities that can deliver long-term returns.

Stability Amid VUCA

- ▶ November's strong market rebound may lead many to believe tough times are over. They should remember that headwinds from higher interest rates continue to persist.
- ▶ Recessions are frequently associated with market declines, but history has shown that market returns can be positive even during a recession.

- ▶ Healthcare equities (stability-theme) have performed well in recent market rallies despite their defensive profile, highlighting the importance of FVT in identifying asymmetric investment opportunities that can provide downside resilience while still participating in up markets.

Positioning for Recovery

- ▶ Majority of investors base their buy-sell decisions on headline narratives. However, this can lead to investors making rash decisions, such as buying at exorbitant prices or selling before an investment has a chance to reveal its potential.
- ▶ Narratives change frequently and rarely provide valuable insights for long-term investing. Compare the market reaction to China's 20th National Congress last month to today's narrative of China's faster path to reopening; markets went from pessimism to exuberance.

- ▶ We remain committed to our recovery-themed positions. They reflect our conviction that they will realize their potential returns over time, and patient investors will be rewarded.

Search For Yield

- ▶ Earning 3% per year on cash may appear appealing, but cash investors face negative real returns in the face of high inflation.
- ▶ The credit market can provide investors with better return opportunities if they know where to look; Asian High Yield (AHY) is one such area.
- ▶ Investing in AHY alone does not promise higher returns; however, having the patience and courage to stick with the strategy over time does.

- ▶ Our conviction in AHY paid off with a 15.42% gain for the month with more room to deliver higher returns going forward.

Read the full commentary [here](#)