



## Strategy Description

Meranti Asia Fund 'MAF' seeks long-term high growth of the portfolio by investing across Asia Pacific ex. Japan equity markets, while looking to mitigate risks during significant downturns. Instead of investing in flavour of the day concepts, the strategy focuses on structural characteristics that make sense and are backed by empirical research.

## Key Features

### Dynamic Risk Mitigation

Financial crises are infrequent but inevitable. By managing risks in significant downturns, the strategy is designed to help investors endure systemic market shocks and continue to invest with confidence.

### Asia Equities

Invest into secular opportunities arising from the global shift of economic power to Asia.

### Active Strategy

Index funds tend to focus on less than 5% of the 33,000+ listed companies in Asia. By investing across the universe using Fundamental, Valuation, and Technical principles; the ability to be different provides outperformance potential.

### Asia Equities

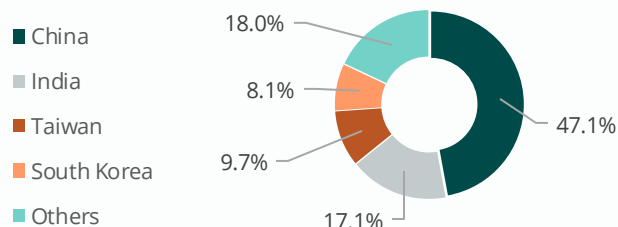
Fertile ground for investing into compelling growth opportunities

### Dynamic Risk Mitigation

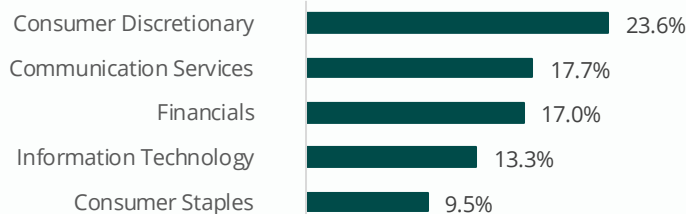
Risk management to mitigate risk of negative compounding



## Geographical Breakdown



## Sector Allocation



## Top Equity Holdings

|                   |  |
|-------------------|--|
| Tencent Holdings  | World-leading internet and technology company offering high-quality digital content and services.    |
| Alibaba Group     | China's biggest e-commerce company for online and mobile marketplaces in retail and wholesale trade. |
| Ping An Insurance | World-leading retail financial services provider for integrated finance and healthcare.              |
| China Tower       | China's largest telecommunications infrastructure service provider.                                  |
| TSMC              | World's largest contract manufacturer of semiconductor.  |

## Portfolio Statistics\*

|                                    | Portfolio | Benchmark |
|------------------------------------|-----------|-----------|
| Current Price-Earnings (P/E) Ratio | 17.57     | 15.28     |
| Earnings-Per-Share (EPS) Growth    | 18.63     | 12.14     |

\*Current Price-Earnings (P/E) ratio and Earnings-Per-Share (EPS) Growth figures retrieved from Bloomberg. Reference benchmark is the MSCI AC Asia Ex Japan Index.

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# Market & Portfolio Developments

## Market Review

\$100 invested into money market funds would have compounded to \$269. Over the same period, \$100 invested into Asian equities would have compounded to \$1390, more than 5x compared to money market funds\*.

MAF gained 7.3% over the past month, outperforming Asian equity markets as the previous narrow rally that was concentrated in a small handful of US stocks broadened to Asia. Such a large gain in a single month accentuates the potential of MAF to perform under favourable market conditions; MAF has seen single months up 9% and even 20%. But the same volatility can challenge the patience and tolerance of investors (both of which are essential ingredients for benefiting from Asian markets and investing in general) during tougher market conditions. Let alone investing at levels today that would give investors a better-than-average return in the long run.

The fund's holdings in China contributed to the outperformance. Ali Baba gained 20% in July, showing that while it was beaten down, it still has upside potential. While there remain concerns on Ali Baba on many fronts including challenges to its e-commerce business, our thesis on the company does not require it to go back to its glory days for performance to show.

Nevertheless, the fund is not just a China play. Vietnam was the second largest contributor to the portfolio. Specifically, Mobile World, a retail giant in Vietnam, rallied 25%. This is part of our active investing allowing the fund's investors to participate in one of Asia's less accessible growth markets as index funds do not have exposure to Vietnam.

Other positions also rallied strongly but as mentioned above, Asian equities and our positions in particular, have and will continue to be volatile. Investors wanting higher return need to invest in volatile markets amid uncertainty as these are where the opportunities are.

\*Source: Bloomberg. Asia equity: MSCI AC Asia ex Japan Index, Money market fund: Vanguard Federal Money Market Fund from 31/12/1987 to 31/7/2023.

## Fund Details

| Item  | Class A                          | Class B                     |
|---|----------------------------------|-----------------------------|
| Currency                                    | SGD, USD                         |                             |
| ISIN (SGD Class)                            | SGXZ64383987 (Distribution)      | SGXZ78636883 (Accumulation) |
| ISIN (USD Class)                            | SGXZ99381758 (Distribution)      | SGXZ76017904 (Accumulation) |
| Projected Distribution <sup>2</sup>         | 4% p.a.                          | -                           |
| Min. Subscription                           | SGD 500,000<br>USD 400,000       | SGD 50,000<br>USD 40,000    |
| Account Opening Fee <sup>3</sup> (One-time) | SGD 4,000<br>USD 3,000           | SGD 4,000<br>USD 3,000      |
| Min. Subsequent Subscription                | SGD 15,000<br>USD 10,000         | SGD 15,000<br>USD 10,000    |
| Redemption Fees                             |                                  |                             |
| 1st Year of Investment                      | -                                | 3%                          |
| 2nd Year of Investment                      | -                                | 2%                          |
| 3rd Year of Investment                      | -                                | 1%                          |
| 4th Year Onwards                            | -                                | 0%                          |
| Management Fee                              | 1.78%                            | 0%                          |
| Performance Fee <sup>4</sup>                | 0%                               | 20%                         |
| Fund Name                                   | Meranti Capital VCC Asia Fund    |                             |
| Dealing Frequency                           | Monthly                          |                             |
| Base Currency                               | USD                              |                             |
| Inception Date                              | 2 November 2020                  |                             |
| Fund Domicile                               | Singapore                        |                             |
| Investment Manager                          | Finexis Asset Management         |                             |
| Fund Administrator                          | ASCENT Fund Services (Singapore) |                             |
| Custodian                                   | Standard Chartered Bank          |                             |
| Auditor                                     | KPMG LLP                         |                             |
| Broker                                      | Goldman Sachs (Asia) L.L.C.      |                             |
| Legal Advisors                              | BTPLaw LLC                       |                             |

<sup>2</sup> Please note that the distributions (if any) may be declared semi-annually based on the Investment Manager's discretion. If distributions are made, such distributions are not a forecast, indication or projection of the future performance of the Fund. <sup>3</sup> Waiver of account opening fees for investors through the platforms. <sup>4</sup> Charged on high water mark basis, with zero hurdle rate.

**About Meranti:** The Meranti fund series is named after the Meranti tree, which is native to Singapore and the region. It is a canopy and emergent tree; providing shade from its place at the top layer of a rainforest where sunlight is plentiful. To reach such great heights, the trees have a strong and wide system of roots to help provide stability while also gathering more nutrients. Likewise, Meranti funds were developed around a Dynamic Risk Mitigation process so that investors can invest with confidence and harvest the full potential of capital growth through market cycles.

**About FAM:** Finexis Asset Management is a Capital Markets Services (CMS) licensed fund management company established in Singapore, focusing on bringing institutional capabilities to private clients. The boutique set-up ensures that we are flexible, responsive and proactive. We embrace the latest technology and constantly improve our processes to complement our investment solutions. Constant evolution to fulfil our investor's needs is ingrained in our beliefs.

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# Share Class Performance History

| USD B <sup>1</sup> | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul                | Aug   | Sep     | Oct     | Nov    | Dec    | YTD                  |
|--------------------|--------|--------|--------|--------|--------|--------|--------------------|-------|---------|---------|--------|--------|----------------------|
| 2020               | -      | -      | -      | -      | -      | -      | -                  | -     | -       | -       | 8.15%  | 3.38%  | 11.81% <sup>2</sup>  |
| 2021               | 2.40%  | 0.94%  | -1.34% | 2.05%  | 0.08%  | 0.02%  | -5.55%             | 3.13% | -4.36%  | 1.81%   | -3.76% | -1.84% | -6.65%               |
| 2022               | -4.57% | -0.74% | -2.00% | -1.84% | -1.88% | -4.04% | -2.76%             | 0.20% | -11.43% | -10.21% | 19.68% | 1.11%  | -19.55%              |
| 2023               | 8.69%  | -8.48% | 4.05%  | -2.86% | -4.10% | 3.60%  | 7.29% <sup>5</sup> |       |         |         |        |        | 7.17% <sup>5</sup>   |
| SGDA               | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul                | Aug   | Sep     | Oct     | Nov    | Dec    | YTD                  |
| 2021               | -      | -      | -      | -      | 0.45%  | -0.29% | -5.71%             | 3.00% | -4.63%  | 1.51%   | -3.90% | -2.10% | -11.40% <sup>3</sup> |
| 2022               | -4.70% | -0.93% | -2.21% | -1.99% | -2.04% | -4.31% | -2.95%             | 0.03% | -11.98% | -10.20% | 18.85% | 0.81%  | -22.03%              |
| 2023               | 8.29%  | -9.00% | 3.68%  | -3.08% | -4.45% | 3.19%  | 7.14% <sup>5</sup> |       |         |         |        |        | 4.61% <sup>5</sup>   |
| USDA               | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul                | Aug   | Sep     | Oct     | Nov    | Dec    | YTD                  |
| 2021               | -      | -      | -      | -      | -      | -      | -                  | 2.98% | -4.50%  | 1.66%   | -3.90% | -1.99% | -5.83% <sup>4</sup>  |
| 2022               | -4.71% | -0.89% | -2.14% | -1.99% | -2.02% | -4.18% | -2.95%             | 0.05% | -11.56% | -10.34% | 19.50% | 0.96%  | -21.00%              |
| 2023               | 8.53%  | -8.61% | 3.89%  | -3.00% | -4.24% | 3.44%  | 7.14% <sup>5</sup> |       |         |         |        |        | 6.08% <sup>5</sup>   |

<sup>1</sup> Performance based on the Lead Series. <sup>2</sup> Since inception of 2 Nov 2020. <sup>3</sup> Since inception of 3 May 2021. <sup>4</sup> Since inception of 2 August 2021. <sup>5</sup> Manager's estimated return. Actual return will be updated in the following month.

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