



FAM Millennium Equity Strategy

30 September 2023

Our Strategy

Following the 2008 Global Financial Crisis and the 2020 Pandemic, the flood of unprecedented liquidity and low interest rates in markets propelled prices of nearly all assets to record highs. Today, it is increasingly challenging for investors to achieve above-market returns using the “winning formula” of the past decade. The FAM Millennium Equity (FME) strategy is designed for investors who are willing to avoid crowded markets and embrace volatility, to achieve above-market returns over the next decade.



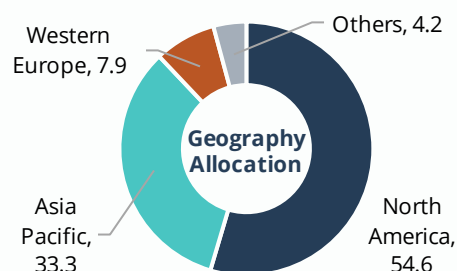
Invest Globally
No benchmark hugging
Maximize returns



Capital Appreciation
compounded at 8%
target return over
longer term

FVT

Focus on **undervalued opportunities** with good
fundamentals in
sustainable trends



Others include Central Asia, Africa/Middle East, and South & Central America.

Taking Advantage of the Market Cycle

Just as in nature, there are also seasons in financial markets. Sowing and harvesting in the wrong season can be detrimental to any investment. Rather than trying to accurately predict year-on-year movements, we believe that capturing long-term cycles and trends brings a much greater impact for investors. There have been two important seasons in the past 20 years:

Emerging Market Season (2001 – 2010)

Best	EM 13.8	Asia -5.6	EM 55.8	EM 25.6	EM 34.0	Europe 33.7	EM 39.4	Japan -29.2	EM 78.5	EM 18.9
	Asia 10.7	EM -6.2	Asia 47.7	Asia 22.2	Japan 25.5	Asia 32.4	Asia 36.5	US -37.4	Asia 73.2	Asia 18.1
	US 3.5	Japan -10.3	Europe 38.5	Europe 20.9	Asia 20.1	EM 32.1	Europe 13.9	Europe -46.4	Europe 35.8	Japan 15.4
	Europe 0.0	Europe -18.4	Japan 35.9	Japan 15.9	Europe 9.4	US 15.1	US 4.9	Asia -51.9	US 25.6	US 14.4
Worst	Japan -1.2	US -22.5	US 28.0	US 10.2	US 4.3	Japan 6.2	Japan -4.2	EM -53.3	Japan 6.3	Europe 3.9
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

In the first 10 years, EM topped the market 7 of 10 times, while the US was nearly always at the bottom.

Total Return: ■ EM: 337.02% ■ US: 8.63%

US market Season (2011 – 2022)

US 1.5	Asia 22.3	US 31.5	US 13.0	Japan 9.6	US 11.2	EM 37.3	US -4.9	US 30.7	Asia 22.4	US 28.2	Europe -15.1
Europe -11.1	Europe 19.1	Japan 27.2	Asia 2.8	US 0.7	EM 11.2	Asia 37.0	Japan -12.9	Europe 23.8	EM 18.3	Europe 16.3	Japan -16.6
Japan -14.3	EM 18.2	Europe 25.2	EM -2.2	Europe -2.8	Asia 6.8	Europe 25.5	Asia -13.9	Japan 19.6	US 17.8	Japan 1.7	Asia -17.5
Asia -15.6	US 15.2	Asia 3.4	Japan -4.0	Asia -9.4	Japan 2.4	Japan 24.0	EM -14.6	Asia 19.2	Japan 14.5	EM -2.5	US -18.5
EM -18.4	Japan 8.2	EM -2.6	Europe -6.2	EM -14.9	Europe -0.4	US 21.1	Europe -14.9	EM 18.4	Europe 5.4	Asia -2.9	EM -20.1
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

In the subsequent 12 years, everything flipped. US became the best performing market 7 of 12 times.

Total Return: ■ EM: 11.22% ■ US: 260.29%

Source: Morningstar. EM: MSCI Emerging Market Index. US: S&P 500. Europe: MSCI Europe. Asia: MSCI AC Asia Pac Ex Japan Index. Japan: MSCI Japan Index.

By identifying investments with good fundamentals and investing in them when their valuations are low (sowing) and taking profit when the opportunities mature (harvesting), FME is designed to help investors avoid the possibility of “missing the season”, as the human tendency to chase past performance can prevent them from enjoying future strong returns.

Historical Performance

Calendar Return, %

Class	1Month	YTD	2022	2021	2020	2019	2019 - YTD
A SGD	-5.40	-6.45	-21.26	-	-	-	-
A USD	-5.26	-5.25	-20.24	-	-	-	-
Composite ¹	-5.26	-5.25	-20.24	9.36	23.37	24.61	27.06

Total Returns, %

¹Calculated from 1/8/2018 using a similarly managed composite portfolio fully invested net of estimated fees. Performance since 1/7/2021 is based on actual fund performance. Past performance is not an indication of future performance. The value of the investment can go down as well as up and is not guaranteed. Source: Finexis Asset Management. Share class performance is calculated using NAV of the share class with income reinvested and including ongoing charges, excluding any entry and exit fees.

Signatory of:



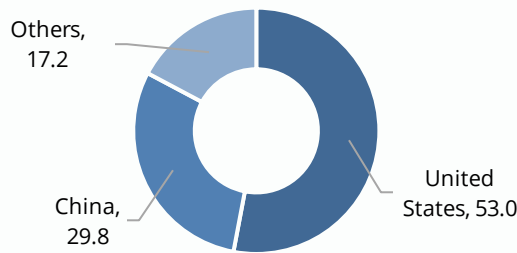
Principles for
Responsible
Investment



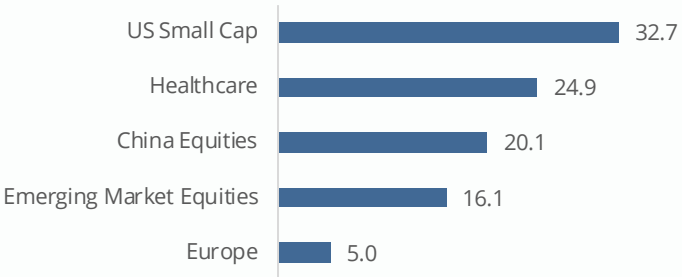
**Finexis Asset
Management**

Strategy Characteristics

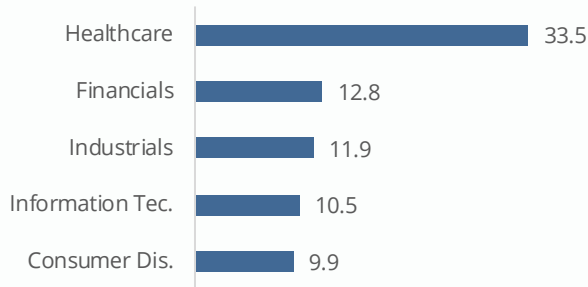
Country Allocation, %



Top 5 Market Allocation, %



Top 5 Equity Sector Allocation, %



Top 5 Fund Holdings, %



Source: Finexis Asset Management. Top 5 market allocation and fund holdings are at fund level. Geographical allocation and top 5 sector allocation are at portfolio look-through level. For illustrative purposes only and does not constitute to any recommendations to invest in the above-mentioned country/sector/security.

Discerning The Signals From The Noise

A three-pronged research process to identify signals that point us to **sustainable trends** which are underappreciated by the market, which come with **good fundamentals** and **attractive valuation**, with a higher likelihood of outperforming over the long term.



Fundamental

Study financial and economic data (e.g. GDP, unemployment rate, and inflation rate etc.) that may drive market movement to find opportunities with **good fundamentals** that are underappreciated.



Valuation

Picking the right valuation metrics (e.g. price-to-earnings, price-to-book, EV/EBITDA etc.) to spot **undervalued opportunities** and avoid overpaying for any investment with only good stories.



Trend

Seek inflection points in **sustainable trends** to capture overlooked opportunities and avoid less recognised risks (such as the end of a bond supercycle).

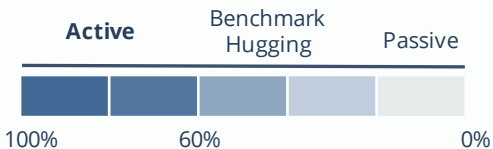
High Level of Active Management

Many actively managed funds underperform because they have a low active share. This happens when a portfolio's holdings are very similar to the referenced benchmark, a practice commonly referred to as 'benchmark hugging'. In contrast, **funds with a high level of active management may have greater potential for outperformance in the long run**, as there is no way any fund can outperform the market if they are investing like the market.

By investing in areas where we have the greatest conviction and applying it to our whole portfolio, we aim to provide better returns over risk through a full market cycle.



Target active share > 80%



Signatory of:



Finexis Asset Management

Market & Portfolio Developments

Fund Commentary

Amid a broad market sell-off, global equities and bonds ended the month in the red with declines of -4.10% and -2.92%, respectively, with FME experiencing similar declines during this period.

Going into the month of September, market volatility persisted as investors grappled with the uncertainty of whether the US economy would experience a soft landing or a hard landing. **While there have been small pockets of gains, some would be surprised to know that the average stock in the US is down for the year** (as indicated by the S&P 500 equal-weighted index).

Indeed, the short-term is often 'noisy' amidst the drastic swings in sentiments. In such periods, it is useful to remind ourselves that long-term investment returns hinge on two key ingredients: fundamentals (earnings growth) and valuations – which of course makes up the 'F' and 'V' of our FVT framework.

But following this is often hard to do – one only needs to go through the first 9 months of 2023 to understand why it can be challenging. While recovery positions i.e. US small-caps, Emerging Markets and China have not revealed their potential, they are underpinned by 1. attractive valuations 2. expectations of better earnings growth; which are the two ingredients for good long-term returns. While this does not ensure returns in the short-term, it does mean that investors will be rewarded given time in the market.

What would it take for our recovery positions to rally? We may not need to wait too long especially if the Fed sticks a soft landing, in which case US small-caps is poised for an upswing. Similarly, we monitor recent encouraging economic data from China closely; which may also signal a better environment for our China 'A' positions. **FME continues to be well positioned to capture higher future returns by investing into these areas that are presently attractively valued with strong fundamentals.**

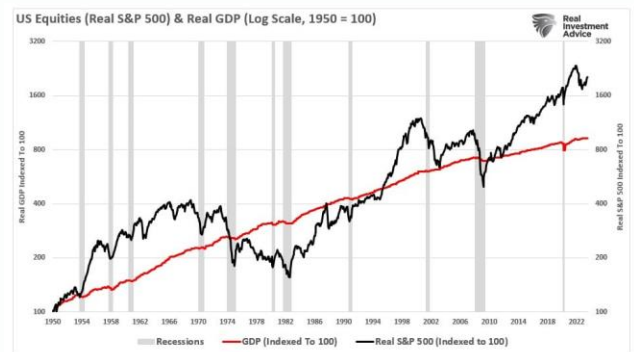
With each twist and turn in the markets, it is easy for investors to get caught up in emotions, swinging between extreme pessimism and optimism with every news headline and data point. It is crucial now, more than ever, for investors to remain patient amidst market and portfolio volatility.

Key Position Highlights

We highlight positions that reflect the strategy's tactical asset allocation view, backed by our study of market patterns and trends over time. As a result, our strategies can be highly differentiated from conventional benchmarks, with the aim of long-term investment success.

US Small-cap Equities to Position for Market Recovery

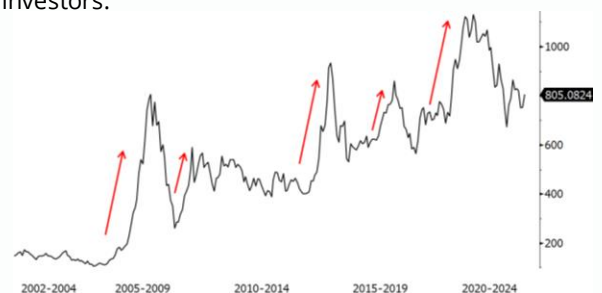
- The S&P 500 appears to be growing much faster than GDP, which indicates lower future returns for today's investors.



- As shown in the above chart, every period of high or speculative returns in the past 70 years (S&P 500 in black), led to sharp declines as markets adjusted back down to their underlying fundamentals (GDP in red) without exception.
- **US Small-caps emerge as an attractive option.** With valuations at decade lows vs large-caps (S&P 500), small-caps are well positioned to 'catch the recovery' if the current optimism spreads across the whole market. They also provide a good margin-of-safety if the narrow recovery is not sustained.

Emerging Market & China Equities To Position For The Next Up-cycle

- After a challenging stretch of performance, Emerging Markets and China 'A' equities resemble a compressed coil that holds a lot of upside potential for long-term investors.



- Past recoveries have shown to be particularly strong in the beginning, causing investors to 'miss-the-boat'. Which is why we avoid timing so close to such inflection points, preferring to be patient with our medium-long term investment horizon.

Signatory of:



Fund Details

Item	Class A
Currency	SGD, USD
ISIN (SGD Class)	SGXZ58547654 (Distribution)
ISIN (USD Class)	SGXZ18072389 (Distribution)
Min. Subscription	SGD 1,500,000 USD 1,000,000
Account Opening Fee (One-time)	N/A
Min. Subsequent Subscription	SGD 15,000 USD 10,000
Max. Sales Charge	5%
Redemption Fees	
1st Year of Investment	-
2nd Year of Investment	-
3rd Year of Investment	-
4th Year Onwards	-
Management Fee	1.58%
Distribution ¹	4% p.a.
Fund Name	Millennium Equity Fund
Dealing Frequency	Daily
Base Currency	USD
Inception Date	18 Jun 2021 10 Jun 2021
Fund Focus	Global Equities
Fund Domicile	Singapore
Investment Manager	Finexis Asset Management
Fund Administrator	Standard Chartered Bank
Custodian	Standard Chartered Bank
Auditor	PricewaterhouseCoopers LLP
Trustee	Perpetual (Asia) Limited

¹Please note that the distributions 4% p.a. (if any) may be declared semi-annually based on the Investment Manager's discretion. Distributions are not a forecast, indication, or projection of the future performance of the Fund.

Highlight of Sub-Fund Managers

Granahan Investment Management US Small Cap

Founded in 1985, Granahan (GIM) is an employee-owned investment boutique specializing in smaller cap equity investments for large institutions and wealthy individuals. The firm manages over \$3 billion in client assets.

GIM's goal is to uncover the next generation of disruptive and innovative companies that are creating new markets or shaking up old ones. Such **smaller dynamic companies provide excellent potential for superior long-term performance.**

The SMID Select strategy is grounded in the belief that a disciplined, fundamental, bottom-up research process can identify underappreciated growth potential in companies that may or may not have a history of strong growth. The resulting portfolio has the optimum combination of stocks with secular growth drivers, and stocks of well-positioned companies that are poised for positive earnings revisions or are benefiting from fundamental momentum. The portfolio focuses on stock selection, investing in those showing the best risk/reward.

GIM'S SMID Select Strategy has delivered 15.9% annualised return since it was launched on 31st March 2015. During the same period, S&P 500 delivered 10%.



30+ years
Small cap
experience



>\$3 billion
AUM Worldwide



Bottom-up
stock selection
strategy



Small cap
strategy
outperformance

TT International Emerging Markets

Founded in 1988, TT is a **'high alpha' specialist with a strong focus on emerging market strategies.** With over 30 years' experience of high conviction investing, TT International offers only authentically active portfolios that aim to exploit market inefficiencies, now managing \$7.1 billion for some of the world's most sophisticated institutional investors.

Few are able to successfully understand the world's ever-changing macroeconomic and geopolitical environment. By **combining informed top-down views with rigorous bottom-up company analysis**, TT is able to identify specific companies that benefit from asset mispricing.

Dedicated solely to asset management, TT deliberately focuses on areas where they possess a genuine competitive advantage and offers only authentically active, **concentrated portfolios with 30-60 stocks and high active share.**

The TT Emerging Market Unconstrained Fund has delivered 55% since its inception in 2015 vs the market's 26.7% over the same period.



30+ years
EM experience



\$7.1 billion
AUM Worldwide



**Top-down +
bottom-up**
stock selection
strategy



EM strategy
outperformance

Signatory of:



**Finexis Asset
Management**

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.

For professional and accredited investors only. For fund and sales related enquires please reach out to your finexis financial advisor representative or email us at customer.service@finexisam.com

IMPORTANT NOTICE & DISCLAIMERS

The information herein is given on a general basis without obligation and is strictly for information only. This publication is not an offer, solicitation, recommendation or advice to buy or sell any investment product, including any collective investment schemes or shares of companies mentioned within. Although every reasonable care has been taken to ensure the accuracy, timeliness and objectivity of the information contained in this publication, Finexis Asset Management Pte. Ltd. and its employees cannot be held liable for any errors, inaccuracies and/or omissions, howsoever caused, or for any decision or action taken based on views expressed or information in this publication. The value of shares values in the Fund and income there from (if any) may fall or rise. Past performance is not an indication of future performance. Investment in the Fund is subject to investment risks, including the possible loss of all or a substantial portion of the principal amount invested. Investors interested in the Fund should read the Private Placement Memorandum (PPM) and seek relevant professional advice before deciding whether to invest in the Fund. Should you choose not to seek such advice, you should consider whether the Fund is suitable for you.

Finexis Asset Management Pte. Ltd. (Company Registration No. 201525241K) www.finexisam.com