



# FAM Global Opportunity Plus Strategy

30 November 2023

## Our Strategy

In today's uncertain world, partnering with managers well-versed in Alternatives is essential for more predictable outcomes. The FAM Global Opportunity Plus (FGO+) strategy is designed for investors who understand the need to invest across Equities, Bonds, and Alternatives, but prefer to avoid the emotional struggle while navigating a sea of complex data for asset allocation decisions. This paves the way for investors to enjoy the rewards of long-term investing with peace of mind.



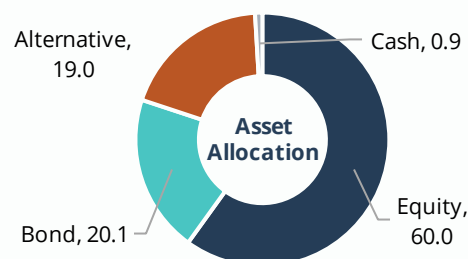
20% Alternative holding to **enhance return** and lower volatility



Capital appreciation **compounded at 6%** target return over longer term

**FVT**

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

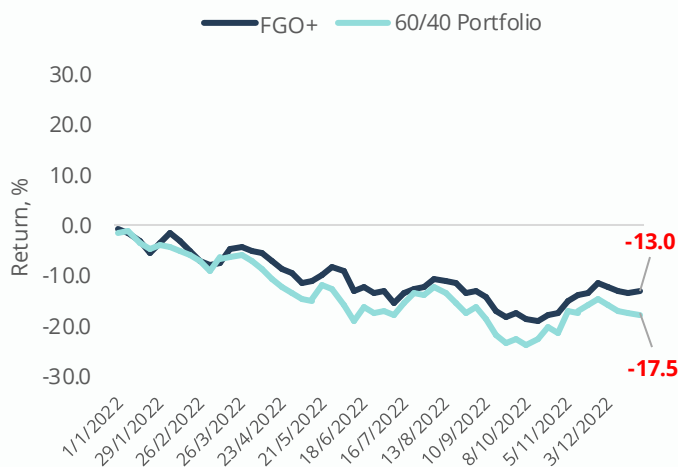


## Enhanced Multi-Asset Strategy: True Diversification

Having gone through a painful 2022, traditional '60/40' (60% equity, 40% bond) asset-allocation investors are left wondering about the effectiveness of diversification in a 'changed' world. Incorporating a 20% allocation to Alternatives, FGO+ enhanced asset-allocation portfolio delivers a less painful investing experience without compromising on long-term upside potential.

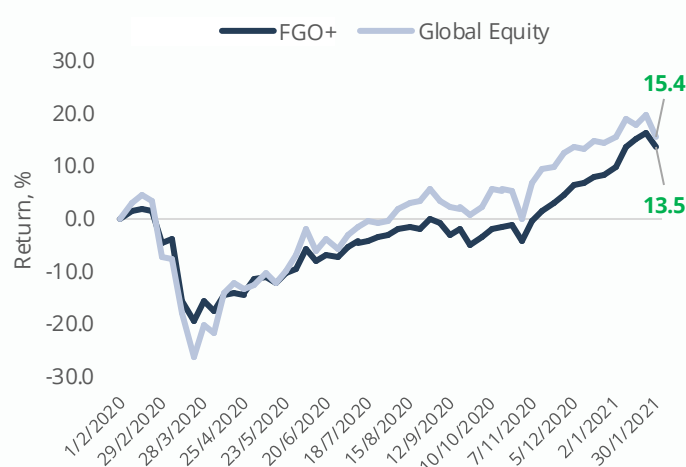
### Manage Market Downtide

When the traditional '60/40' portfolio faced its worst year in 2022, FGO+ declined less due to the 20% allocation to Alternatives.



### Capture Market Upside

In the right market conditions (e.g. Feb 2020 to Jan 2021), FGO+ has managed to deliver similar returns to the global equity index.



Source: Morningstar. (Left) Data from 1/1/2022 – 31/12/2022. 60/40 portfolio: MSCI ACWI Index 60%, Bloomberg Global Aggregate Index 40%. (Right) Data from 1/2/2020 – 30/1/2021. Global equity: MSCI ACWI Index 100%.

## Historical Performance

### Calendar Return, %

Class	1Month	YTD	2022	2021	2020	2019	Total Returns, %
A SGD	3.99	-3.24	-13.76	4.74	8.74	13.22	7.60
A USD	4.18	-1.73	-13.02	4.99	9.70	15.09 <sup>1</sup>	13.31 <sup>1</sup>
B SGD	4.18	-1.83	-12.63	4.00	8.17	14.04	10.03
B USD	4.31	-0.35	-11.70	5.10	9.02	14.53	15.47

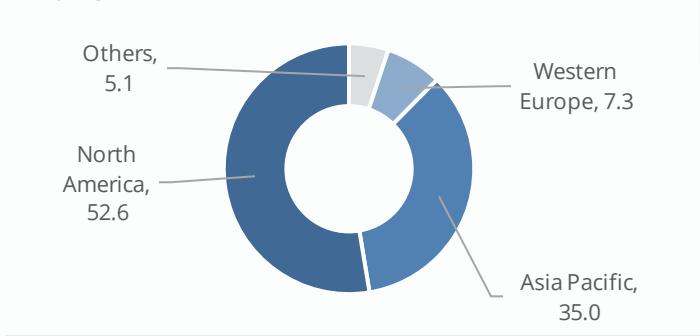
<sup>1</sup>Returns calculated since fund inception date on 2 Jan 2019. Past performance is not an indication of future performance. The value of the investment can go down as well as up and is not guaranteed. Source: Finexis Asset Management. Share class performance is calculated using NAV of the share class with income reinvested and including ongoing charges, excluding any entry and exit fees

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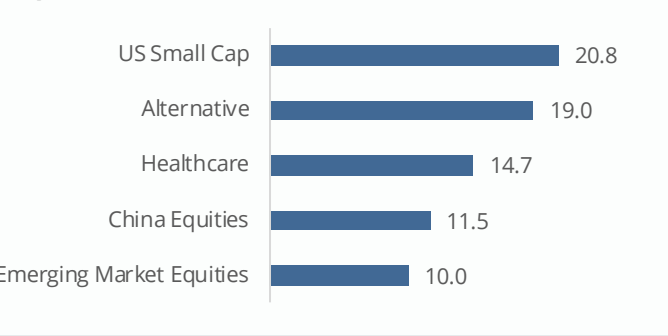


# Strategy Characteristics

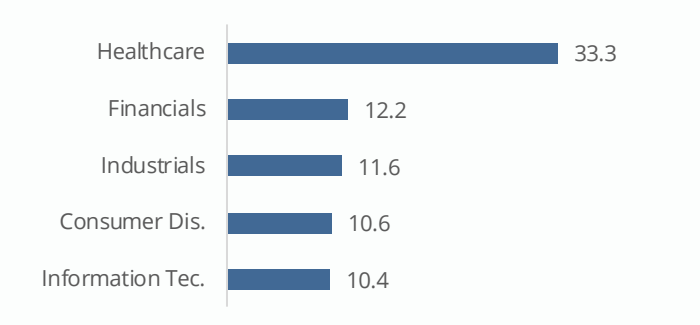
## Geographical Allocation, %



## Top 5 Market Allocation, %



## Top 5 Equity Sector Allocation, %



## Top 5 Fund Holdings, %



Source: Finexis Asset Management. Others include Central Asia, Africa/Middle East and South & Central America. 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).

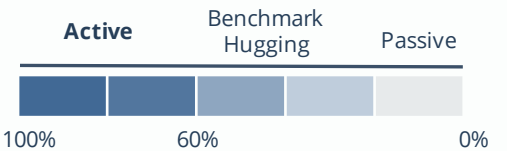
# High Level of Active Management

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

Market volatility remained high in the past month; but this time on the way up. During the Fed meeting in November, Fed Chairman Jerome Powell kept interest rates unchanged – and at the same time signaled to markets that further rate hikes are unlikely. Equity and bond markets rallied strongly in reaction to the Fed meeting, with FGOP's multi-asset strategy gaining 4.18% over the past month.

The roller coaster market over the past few months reminds us that it is very difficult to time the market. Could an investor have the foresight to dive back in at October's close? Remember that sentiment at the end of October was one of extreme fear, making it a tall order to expect even the most seasoned investors to call the bottom then. A better way is to stay invested and to keep our eyes on the long-term goal. To that end, **FGOP's strategy of investing across Equity, Bond, and Alternatives delivers a less painful investing experience without compromising on long-term upside potential.**

In last month's write-up, we discussed how our recovery positions stand a good chance to perform well especially where there are no further rate hikes, and if the Fed can guide the economy into a soft landing – both of which seem to be the base case going forward. As expected, most of our recovery positions benefitted in November: Emerging Market equities rallied strongly, and US small-caps did even better (one of our US small-cap holding was up about 18% in a month - double the market return!). Even after the strong rally, we expect more upside for our equity holdings. Similarly, history shows that the period after a Fed pause is favourable for bond markets; which bodes well for our holdings of high-yielding bonds in Emerging Market and Asia.

As we exit from the era of easy money that lasted from 2009 to 2021, expect there to be more bumps and bruises along the way but also more opportunities to capture. FGOP is well-placed to be able to capture such opportunities as they appear while continuing to offer a smoother investing journey.

### 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.

### Alternative Trend-following for Differentiated Returns

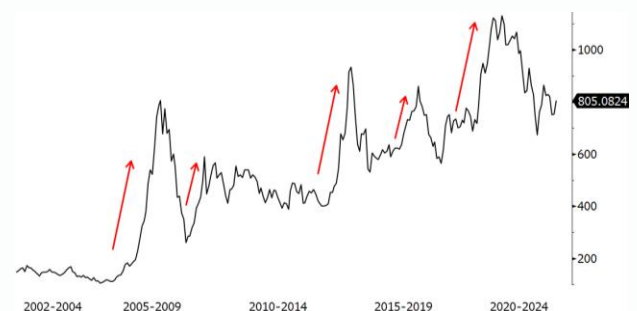
- Not all investment strategies are designed to grow the portfolio extensively or to protect the investment during a crisis. A trend-following strategy can act like an 'air-bag' in prolonged down-markets, while also being able to generate returns in a sustained bull-market.



- The clear benefit of trend-following is the ability to make money in up and down markets and provide a powerful source of diversification to the portfolio's equity and bond positions.

### 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.

## Fund Details

Item	Class A	Class B
Currency	SGD, USD	
ISIN (SGD Class)	SG9999019392 (Accumulation)	SGXZ91932061 (Accumulation)
ISIN (USD Class)	SGXZ13719315 (Accumulation)	SGXZ15311152 (Accumulation)
Min. Subscription	SGD 1,500,000 USD 1,000,000	SGD 200,000 USD 150,000
Account Opening Fee (One-time)	N/A	SGD 4,000 USD 3,000
Min. Subsequent Subscription	SGD 15,000 USD 10,000	SGD 15,000 USD 10,000
Max Sales Charge	5%	N/A
Redemption Fees		
1st Year of Investment	-	3%
2nd Year of Investment	-	2%
3rd Year of Investment	-	1%
4th Year Onwards	-	0%
Management Fee	1.5%	0%
Performance Fee <sup>1</sup>	0%	20%
Fund Name	Global Opportunities Plus Fund	
Dealing Frequency	Daily	
Base Currency	USD	
Inception Date	2 Aug 2018 2 Jan 2019	10 Sep 2018 2 Jul 2018
Fund Focus	Global Multi-Asset	
Fund Domicile	Singapore	
Investment Manager	Finexis Asset Management	
Fund Administrator	Standard Chartered Bank	
Custodian	Standard Chartered Bank	
Auditor	PricewaterhouseCoopers LLP	
Trustee	Perpetual (Asia) Limited	

<sup>1</sup>Charged on high water mark basis, with zero hurdle rate.

## Highlight of Sub-Fund Managers

### Winton Group Alternative

Winton is a **pioneer in trend-following strategies** and one of the most successful hedge funds in the world. It is led by David Harding, founded in 1997, Winton manages assets on behalf of some of the world's largest institutional investors – with \$10 billion worth of assets in their trend-following strategies today.

Winton has remained at the forefront of markets, capitalizing on trends across various cycles and asset classes, using **highly sophisticated and automated systems to remove human emotions and forecasts from investment decisions**. The firm's trend-following strategy trades 'long' and 'short' in over 100 futures markets to deliver the full benefits of their strategy – such as its ability to make money in up and down markets and provide a powerful source of diversification to equities and bonds. **In 2022, Winton's Trend Fund delivered returns of +18%**, when equity and bonds were down -16% and -18%, respectively.

Since its inception, Winton's flagship strategy has delivered outperformance over traditional equities and bonds in both absolute and risk-adjusted terms, with a **correlation of close to zero and long-term performance of around 10% p.a.**



**40 years**  
Experience trading  
markets



**\$10 billion**  
AUM in trend-  
following



**Trend following**  
strategy



Near-zero  
correlation

### Lombard Odier Asian High Yield

Lombard Odier Investment Managers is part of the Lombard Odier Group, a global private bank managing \$300+ billion in assets across its wealth and asset management expertise. With a dedicated team of 180 professionals, it manages \$70 billion of assets across diverse strategies in equity, fixed income, multi-asset, convertible bond, alternatives, and private markets.

The Lombard Odier Asia Value Bond is one of the largest Asia credit fund today. Managed by a team of five investment experts as part of a 22-strong global fixed income team, the strategy has seen a long track record of outperformance against its peer group.

The strategy is underpinned by a 'value-biased strategy that leverages on rigorous top-down and bottom-up analysis to uncover value and fundamentally strong opportunities through market cycles; maintaining close interaction with companies and management. The strategy was awarded the Platinum award at the Fund Selector Asia Awards in 2020, in addition to Lipper awards for "Best Asia Credit Strategy in Hard Currency".



**50 years**  
investment  
experience



**70 billion**  
AUM Worldwide



**22 Global FI**  
professionals



Fund Selector Asia  
Awards 2020

Signatory of:



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