



## Strategy Description

FAM Alternative Income Fund 'FAI' seeks stable and recurring income that is independent of market performance by investing opportunistically in truly alternative investments, instead of traditional income assets such as equities and bonds. The strategy focuses on performance drivers that make sense and are backed by empirical research.



Alternative Asset Class



Target 3% Above Money Market



Income Rain or Shine



Exclusive Capacity: 'Quality over Quantity' approach

**FVT**

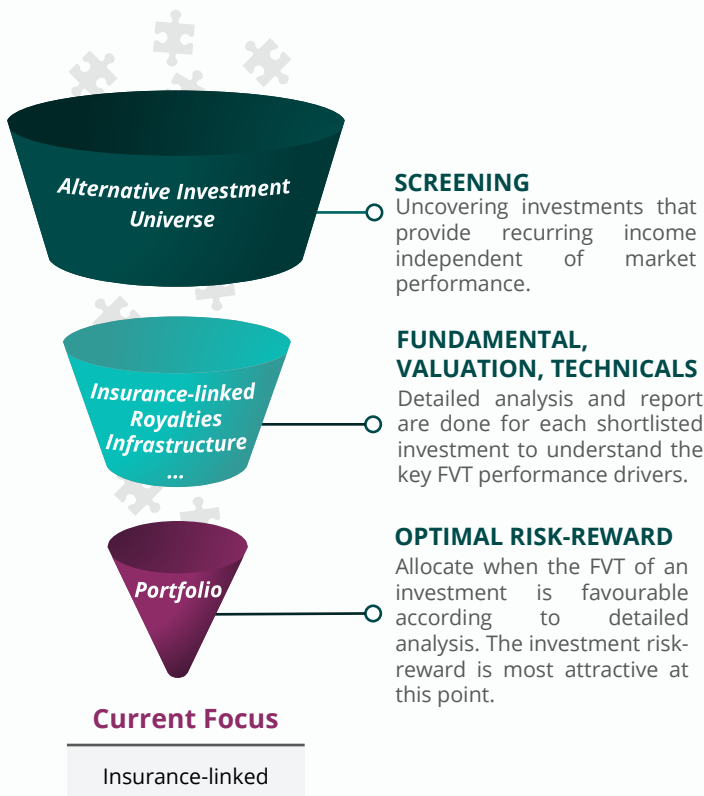
Fundamental, Valuation, Technicals

*"Diversify and gain income resilience through targeted exposure to various alternative investments."*

## Selection Process

Illustration of how we select the right investments:

1 2 3 Portfolio Investment(s)



Our **Alternative** universe comprises non-traditional investments (other than equities, bonds, and cash) that do not rely on broad market trends to perform

## Dividend information

Class	Distribution date	Distribution frequency	Dividend per share	Special dividend
A SGD	21 July 2023	Semi-annual	\$3.00	\$2.40
A USD	21 July 2023	Semi-annual	\$3.00	\$2.40
A SGD	22 January 2024	Semi-annual	\$3.20	-
A USD	22 January 2024	Semi-annual	\$3.80	-

## Projected dividend distribution

A SGD	July 2024	Semi-annual	TBA	-
A USD	July 2024	Semi-annual	TBA	-

Historical dividend payout is not indicative of future payouts. TBA - To Be Announced

## Portfolio Statistics

Average Return (since inception)	1.06
Volatility	3.47
Correlation to Equity <sup>1</sup>	0.24
Correlation to Bonds <sup>1</sup>	0.22
Return over Money Market <sup>2</sup>	4.77

Portfolio statistics refers to the strategy composite and the actual performance of FAI. Strategy composite consists of the potential opportunity set considered from 31/12/2002 to 1/11/2022. <sup>1</sup> Correlation to equity and correlation to bonds are calculated with references to the MSCI World Equity Index and Global Aggregate Bond Index, respectively. <sup>2</sup> Return over money market is calculated using gross returns. Statistics shown may not be a good indication of actual performance which can differ meaningfully over shorter time periods.

## Historical Performance

### Calendar Returns, %

SGD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-	-	-	-	-	-	-	-	-	-	0.51	0.97	1.48
2023	1.02	1.10	1.17	1.17	1.00	0.95	1.30	1.15	0.78	0.78	0.25	0.31	11.54
2024	1.11												1.11

USD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-	-	-	-	-	-	-	-	-	-	-	1.08	1.08
2023	1.09	1.07	1.39	1.20	1.04	1.20	1.40	1.27	0.70	1.13	0.47	0.51	13.20
2024	1.34												1.34

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:



# Market & Portfolio Developments

## Commentary

Most of the action last month was in equity markets with major segments ultimately posting negative returns, while fixed-income markets were largely flat. **True to the objective of providing Alternative Income, 'FAI' gained 1.3% in the past month while managing to tune out the noise from traditional equity and bond markets.** If January is any indication, FAI is set for another good year following 2023's strong performance.

In today's higher interest rate environment, income investors have a nice range of options offering low to high income. Those with lower risk tolerance can receive around 4% from money market funds or government bonds. Those who want higher income in the high singles also have options in the traditional fixed income space i.e. high yield, but this often comes with much higher price swings – January was a good example where many fixed income investors saw close to 0% returns due to the volatility caused by speculation over the Fed's next interest-rate move. The more volatile journey is the trade-off for getting higher income over time.

FAI was designed to provide a solution for income investors who want higher income but without the bumpy journey of traditional income markets. To this end, we apply strict criteria to assess investments that can provide recurring income with low sensitivity to the economy or markets - if not the income is likely to 'disappear' during periods of market stress (like what happened to most income portfolios in the past month). We then apply the same 'FVT' principles to FAI as our other solutions: 1. identifying valuable assets, 2. investing at a good price.

Even after our stretch of positive and strong performance, our preferred insurance-linked segment continues to be offered at a 'good price'. In our minds, if the start of 2023 was the best time to invest, today is a close second. Yields continue to be high, while the risk of weather-related events that our portfolio is exposed to has not increased. To put it in another way: return potential is still high, without the risks going up. We believe the stage is set for FAI investors to enjoy another year of high income that is not impacted by traditional equity and bond markets.

## Fund Details

Item	Class A
Currency	SGD, USD
ISIN (SGD Class)	SGXZ71698914 (Distribution)
ISIN (USD Class)	SGXZ97877740 (Distribution)
Min. Subscription	SGD 500,000 USD 400,000
Account Opening Fee <sup>1</sup> (One-time)	SGD 4,000 USD 3,000
Min. Subsequent Subscription	SGD 15,000 USD 10,000
Management Fee	1.2%
Fund Name	FAM Alternative VCC Income Fund
Dealing Frequency	Monthly
Base Currency	USD
Inception Date	1 Nov 2022 (SGD Class) 1 Dec 2022 (USD Class)
Fund Focus	Alternative Income
Fund Domicile	Singapore
Investment Manager	Finexis Asset Management
Fund Administrator	ASCENT Fund Services (Singapore) Pte. Ltd.
Custodian	Standard Chartered Bank (Singapore) Limited
Broker	Standard Chartered Bank (Singapore) Limited
Auditor	KPMG LLP

<sup>1</sup> Waiver of account opening fees for investors through the platforms.

**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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