



## 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



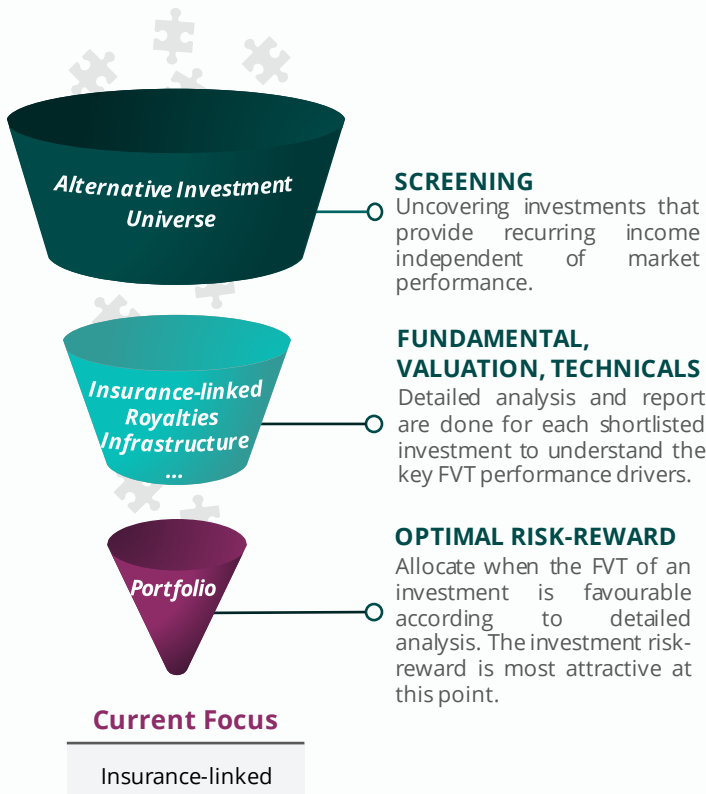
Fundamental, Valuation, Technicals

*"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 Monthly Return (since inception)	1.06
Annual Volatility	3.47
Correlation to Equity <sup>1</sup>	0.24
Correlation to Bonds <sup>1</sup>	0.22
Annual Return over Money Market <sup>2</sup>	4.78

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, %

SGDA	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	1.05 <sup>1</sup>											12.17

USDA	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	1.05 <sup>1</sup>											12.40

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. <sup>1</sup>Manager's estimated return.

Signatory of:



# Market & Portfolio Developments

## Commentary

FAI's gain in February marks 15 consecutive months of gains. This contrasts with Morningstar Income strategy peer group which saw 7 down months in the past 15. This demonstrates FAI's proposition of providing income that is less impacted by equity and bond markets.

Another segment of the market that has had 15 consecutive months of gains is money market funds. However, mmf returned 5% on an annualized basis compared to FAI's 13%. With FAI's low volatility yet high return, this seems to fly in the face of the maxim "higher risk, high return".

### Low volatility does not mean no risk

We need to remind investors that not being down when markets are down does not mean the fund will not have down periods. It's just that these down periods tend not to coincide with those of markets. This also means that when FAI is encountering losses, they can be offset by corresponding gains in market investments. It shows how FAI and market investments are complementary to each other.

### High return does not come easy

The annual compounding of 13% so far is well above our stated objective of 3% more than money market funds. This is driven by our FVT process that led us to identify opportunities of substantial yield relative to the risk. Hence, we are not only being paid to wait, we are also being well-compensated for the risk.

Yet, no good investment is kept under wraps for long. After some time, investors will join the fray. More capital coming in will dilute returns eventually. For now, we still see ample margin. Nevertheless, we are already working our process to uncover the next set of opportunities to deliver uncorrelated income. Where can they come from? Intellectual property, Specialist infrastructure, Royalties, Private credit. These are hardly the markets many are plied with, but to get different performance, one has to go beyond the well-trodden path.

## 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.

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