



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



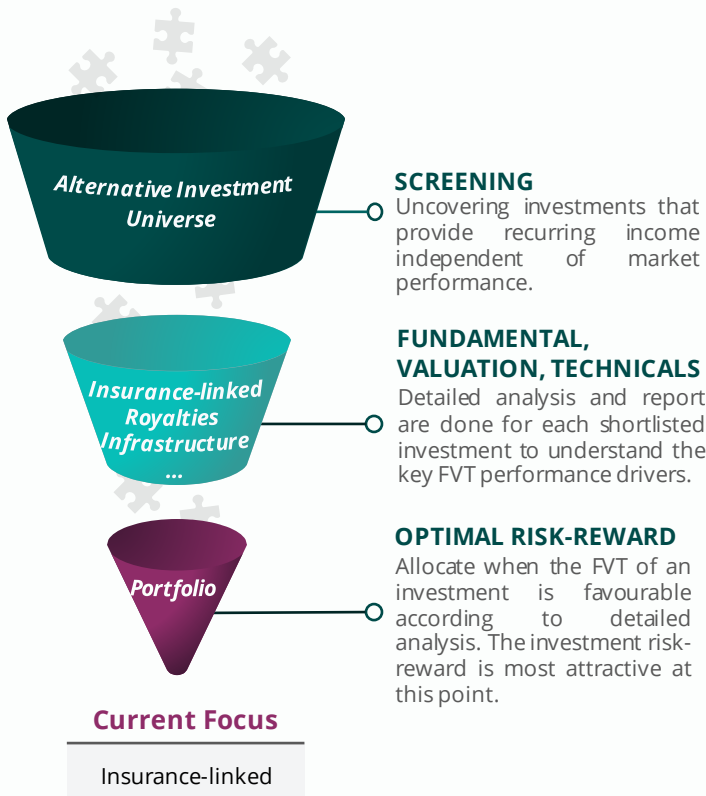
Fundamental, Valuation, Technicals

"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)	1.02
Annual Volatility	3.45
Correlation to Equity ¹	0.23
Correlation to Bonds ¹	0.22
Annual Return over Money Market ²	4.72

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. ¹ Correlation to equity and correlation to bonds are calculated with references to the MSCI World Equity Index and Global Aggregate Bond Index, respectively. ² 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	0.84	0.80	0.37	-0.23 ¹								2.92 ¹

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	1.08	0.96	0.47	-0.23 ¹								3.66 ¹

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. ¹ Manager's estimated return. Monthly estimated returns will be updated in the following month.

Signatory of:



Market & Portfolio Developments

Commentary

FAI's performance was -0.23% in May. Even then, FAI has performed 10.8% in the past 12 months. More crucially, this has been achieved without subjecting one to the roller coaster ride many other income investors had to go through – this is the first negative month of performance in 19 months.

First, one should not risk being alarmed unnecessarily by extrapolating May's decline. As it is, performance has started to recover in the first week of June. But the opportunity would be wasted if we just took comfort in this short rebound.

What opportunity are we talking about? The first down month in a winning streak serves as a real example for investors as they continuously refine their understanding and expectations for FAI.

Does not depend on markets to generate returns means avoiding markets' downs and ups

One of FAI's key features is its returns are less affected by markets and economies. Since Jan 2023, an investor monitoring global markets would see monthly swings of more than $\pm 3\%$ 6 out of 10 times. In all the down months, FAI was positive and going about its own business extracting income. In the market up months, FAI continued chugging along with relatively modest returns. Hence, the benefit of uncorrelated returns cuts both ways; an FAI investor should expect to avoid market downside, and should not expect to capture market upside.

FAI also needs to take a breather after a strong streak

Some investors have expressed concern about how the performance has moderated after an "impressive" Q1. Think of it as running a 400m track. The runner's speed is faster on the straight, but even when they run slower in the bend, they complete the race with an average speed that is in between. The fund returned 3.41% in Q1, implying an annual return of 14.58% if extrapolated – above our expectations. Basically, the last one or two months have served to moderate the pace of compounding before resuming a more sustainable pace of income.

Source: Bloomberg. Global markets: MSCI World as at 31/5/2024.

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 ¹ (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

¹ Waiver of account opening fees for investors through the platforms.

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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

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