



## 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

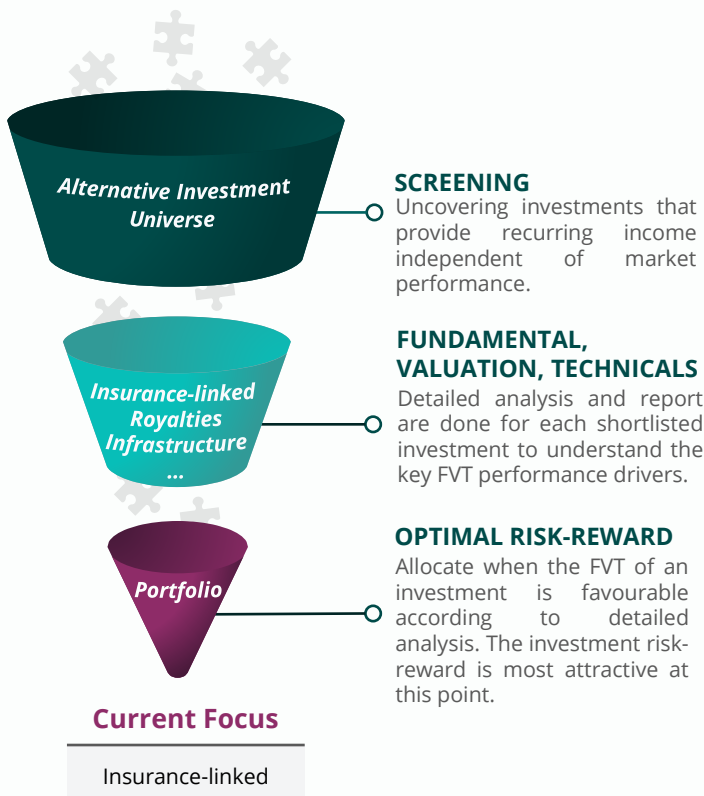
Fundamental, Valuation, Technicals

*"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	18 Jul 2024	Semi-annual	\$3.20	-
A USD	18 Jul 2024	Semi-annual	\$3.80	-
A SGD	22 Jan 2024	Semi-annual	\$3.20	-
A USD	22 Jan 2024	Semi-annual	\$3.80	-
A SGD	21 Jul 2023	Semi-annual	\$3.00	\$2.40
A USD	21 Jul 2023	Semi-annual	\$3.00	\$2.40

\* Projected distributions are TBA (To Be Announced). Historical dividend payout is not indicative of future payouts.

## Portfolio Statistics

Average Monthly Return (since inception)	1.00
Annual Volatility	3.45
Correlation to Equity <sup>1</sup>	0.23
Correlation to Bonds <sup>1</sup>	0.22
Annual Return over Money Market <sup>2</sup>	4.71

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	0.84	0.80	0.37	-0.42	0.54							3.28%
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	1.08	0.96	0.47	-0.25	0.71							4.38%

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. Monthly estimated returns will be updated in the following month.

Signatory of:



# Market & Portfolio Developments

## Commentary

Imagine what it takes to make a car: Chassis, powertrain, wheels. Similarly, any income portfolio tends to utilize common building blocks. To find out more about what these building blocks are, do read our latest monthly market commentary.

### FAI's focus on truly diversified income

The common building blocks in many income portfolios offer a certain degree of diversification that helps investors on their income accumulation journey. However, such diversification goes away when it really matters, when investors' risk tolerance is really tested. For example, interest rates rapidly rose from August 2021 to October 2022, leading to double-digit declines across all segments, including government, investment grade, high yield, and large cap equities. For many income portfolios, there was nowhere to hide. This happened because these common income building blocks have some dependency on economies and markets.

FAI's ability to generate returns even when many income markets are stressed is not due to luck; we are confident FAI will generate uncorrelated income even when conventional income markets are challenged. This is because we have purposefully structured FAI's income sources to be less dependent on economies and markets. It is better to solve the problem up front rather than having to fire fight later.

### Getting the right expectations on alternative income

May saw the first down month for FAI, which caused concern among some investors. "Is something wrong?". June saw the performance recover, with a little bit to spare. This decline is actually helpful as investors should not get the impression that FAI will not have down months.

FAI will rank highly on many measures be it return, volatility, or risk-adjusted return. But it is not a panacea; its declines happen when many income portfolios don't. Which means it will be hard for many investors to understand why, especially when there is no "shared misery". When in doubt, doubt first.

One way is for investors to have a mix of our two high income portfolios. For example, when FAI was down -0.42% in May, FGI our market-oriented income portfolio was up 1.4%.

## Fund Details

Item	Class A
Currency	SGD, USD
ISIN (SGD Class)	SGXZ71698914 (Distribution)
ISIN (USD Class)	SGXZ9787740 (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 ASCENT Fund Services (Singapore) Pte. Ltd.
Fund Administrator	
Custodian	Standard Chartered Bank (Singapore) Limited
Broker	Standard Chartered Bank (Singapore) Limited
Auditor	PWC LLP

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

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