



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



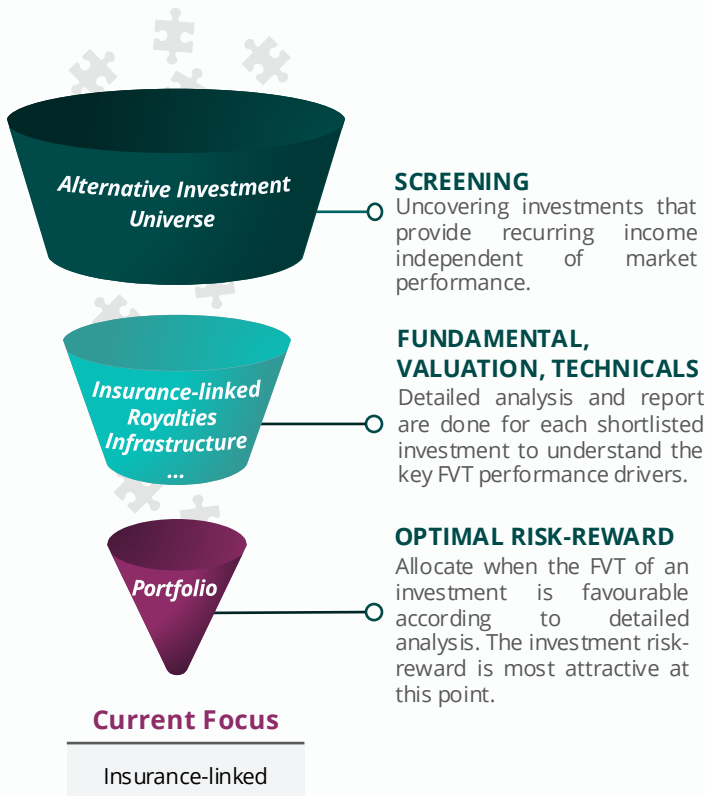
Fundamental, Valuation, Technicals

"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

Distribution date*	A SGD	A USD	Distribution frequency
18 Dec 2024	\$0.56	\$0.71	Monthly
18 Oct 2024	\$0.53	\$0.63	Monthly
18 Sep 2024	\$0.53	\$0.63	Monthly
18 Aug 2024	\$0.53	\$0.63	Monthly
18 Jul 2024	\$3.20	\$3.80	Semi-annual
22 Jan 2024	\$3.20	\$3.80	Semi-annual
21 July 2023 ¹	\$5.40	\$5.40	Semi-annual

*Distribution date refers to the payable date for cash dividends. ¹Distributions on 21 July 2023 include special dividends of \$2.40 for both the SGD and USD share classes.

Portfolio Statistics

Average Monthly Return (since inception)	0.98
Annual Volatility	3.42
Correlation to Equity ¹	0.23
Correlation to Bonds ¹	0.22
Annual Return over Money Market ²	4.73

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, %

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	0.79	1.44	0.96	0.03	0.53 ²		7.20 ²
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	0.97	1.23	1.19	0.27	0.70 ²		9.01 ²

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. ²Manager's estimated return. Monthly estimated returns will be updated in the following month.

Signatory of:



Market & Portfolio Developments

Commentary

Substantial return over cash

FAI was up +0.70% which brings its rolling 12-month return to 9.8%. This is substantially higher than what one would get from a Money Market Fund (MMF) which returned 5.3%. At this point some may say they are happy to earn mid single digit return from money market funds, but bear in mind that money market fund returns are generally tied to interest rates, which in turn tend to track inflation. That is, one cannot expect to beat inflation by investing in MMFs. In order to beat inflation, investors have to take some risk on top of cash-like investments.

Better risk-adjusted return

Sometimes we get asked “what is the risk-adjusted return?” Indeed, this is a valid question as simply comparing return across different investments is ignoring the risk side of things. An investment with higher return tends to come with higher risk.

A popular measure of risk-adjusted return is the Sharpe ratio. The table below shows various risk and return statistics for global bonds, which are a popular way for investors to take more risk to try to beat inflation. Global bonds have provided additional return over MMFs by taking additional duration and credit risk. While volatility itself does not fully represent the risks taken, it is often used to quantify such risks.

The Sharpe ratio for global bonds is 0.5 whereas that for FAI is 2.9. At least from this standpoint, FAI has better risk-adjusted return which is part of the aim to provide investors higher income with a smoother ride.

	Global bonds	FAI
12-month return	7.5%	9.6%
Annualised volatility	4.7%	1.6%
Risk-adjusted return (Sharpe ratio)	0.5	2.9

Source: Bloomberg. Money market fund (MMF): Vanguard Federal Money Market Fund, Global Bonds: Bloomberg Global Agg Index, Risk free rate for Sharpe ratio: United States SOFR Secured Overnight Financing Rate 5.22%

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	1Nov 2022 (SGD Class) 1Dec 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	PwC LLP

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

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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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