



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

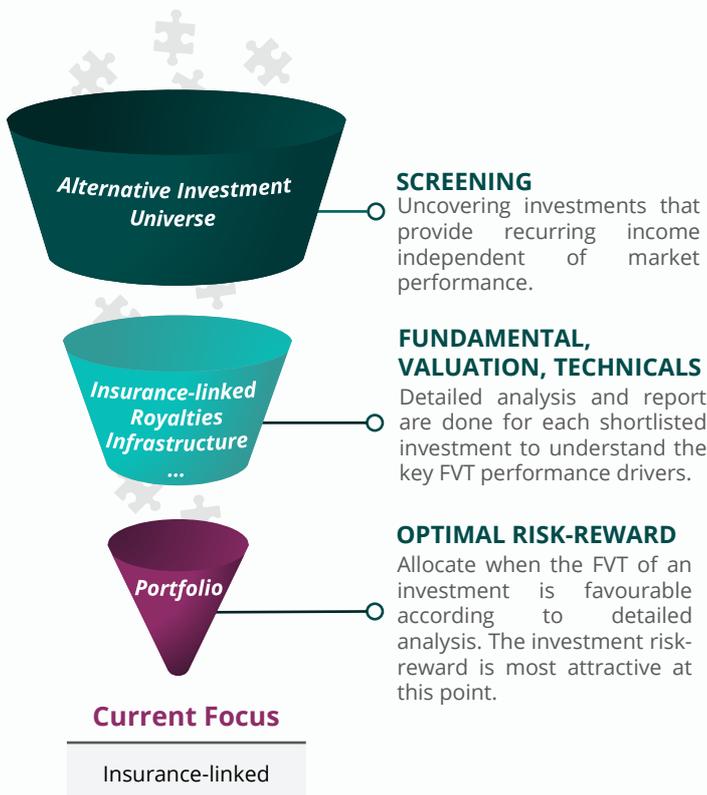
Fundamental, Valuation, Technicals

"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

Distribution date*	A SGD	A USD	Distribution frequency
20 Jan 2025	\$0.56	\$0.71	Monthly
18 Dec 2024	\$0.56	\$0.71	Monthly
18 Nov 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 fund 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	4.75

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. ¹Correlation to equity and correlation to bonds are calculated with references to the MSCI World Equity Index and Global Aggregate Bond Index, respectively. ²Return 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	0.94	0.74 ²	8.44 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	0.94	0.91 ²	10.26 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.

Market & Portfolio Developments

Commentary

Exceeding our high income target

FAI closed 2024 up 10.3%, continuing from its performance of 13% in 2023. For every \$1m invested, one would have gotten \$150,000 more than if they invested into money market funds over the past 2 years.

Without the volatility of traditional income investments

To be fair, alternative income was not the only segment delivering high income last year. High yield bonds also delivered high income, but with the inherent volatility of traditional income markets. The table shows that since Nov 2022, investors in traditional bond markets went through between 8-13 down months while FAI had one down month. Apart from more down months, the declines that traditional bond investors experienced were larger as shown by the worst month and largest drawdown figures.

	Global bonds	Global High Yield	FAI
2024 return	3.4%	10.7%	10.3%
# of down months	13	8	1
Worst month	-1.72%	-1.40%	-0.25%
Largest drawdown	-3.85%	-4.40%	-0.25%

One might note that the volatility for traditional bonds with single digit declines is not that scary anyway. Bear in mind that the past two years was a strong environment for traditional bonds. However, the horizon ahead is not so sanguine for traditional bonds. Tight credit spreads and potential refinancing wall in 2025 mean that traditional income investors should expect a rougher ride going forward.

Will FAI's high income persist?

Yes. Unlike Money Market Funds (cash) where yields have fallen below 5%, alternative income markets still offer high-single digit yields. For a select group of investors, they can literally have their cake and eat it too.

Source: FAM, Bloomberg. Global Bonds: Bloomberg Global Agg Index, Global High Yield: Bloomberg Global High Yield Index

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 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	PwC 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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