



# FAM Millennium Equity Strategy

30 Apr 2025

## Our Strategy

Following the 2008 Global Financial Crisis and the 2020 Pandemic, the flood of unprecedented liquidity and low interest rates in markets propelled prices of nearly all assets to record highs. Today, it is increasingly challenging for investors to achieve above-market returns using the “winning formula” of the past decade. The FAM Millennium Equity (FME) strategy is designed for investors who are willing to avoid crowded markets and embrace volatility, to achieve above-market returns over the next decade.



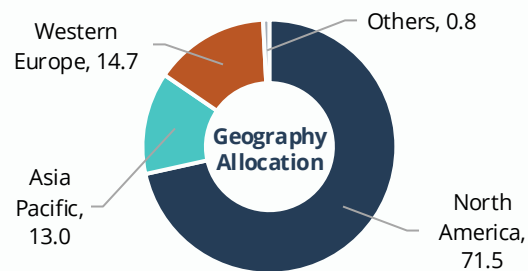
Invest Globally  
**No benchmark hugging**  
Maximize returns



Capital Appreciation  
**compounded at 8%**  
target return over  
longer term

**FVT**

Focus on **undervalued opportunities** with good  
**fundamentals** in  
sustainable trends



Others include Central Asia, Africa/Middle East, South & Central America, and Eastern Europe.

## Taking Advantage of the Market Cycle

Just as in nature, there are also seasons in financial markets. Sowing and harvesting in the wrong season can be detrimental to any investment. Rather than trying to accurately predict year-on-year movements, we believe that capturing long-term cycles and trends brings a much greater impact for investors. There have been two important seasons in the past 20 years:

### Emerging Market Season (2001 – 2010)

Best	EM 13.8	Asia -5.6	EM 55.8	EM 25.6	EM 34.0	Europe 33.7	EM 39.4	Japan -29.2	EM 78.5	EM 18.9
	Asia 10.7	EM -6.2	Asia 47.7	Asia 22.2	Japan 25.5	Asia 32.4	Asia 36.5	US -37.4	Asia 73.2	Asia 18.1
	US 3.5	Japan -10.3	Europe 38.5	Europe 20.9	Asia 20.1	EM 32.1	Europe 13.9	Europe -46.4	Europe 35.8	Japan 15.4
	Europe 0.0	Europe -18.4	Japan 35.9	Japan 15.9	Europe 9.4	US 15.1	US 4.9	Asia -51.9	US 25.6	US 14.4
Worst	Japan -1.2	US -22.5	US 28.0	US 10.2	US 4.3	Japan 6.2	Japan -4.2	EM -53.3	Japan 6.3	Europe 3.9
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

In the first 10 years, EM topped the market 7 of 10 times, while the US was nearly always at the bottom.

Total Return: ■ EM: 337.02% ■ US: 8.63%

### US market Season (2011 – 2022)

US 1.5	Asia 22.3	US 31.5	US 13.0	Japan 9.6	US 11.2	EM 37.3	US -4.9	US 30.7	Asia 22.4	US 28.2	Europe -15.1
Europe -11.1	Europe 19.1	Japan 27.2	Asia 2.8	US 0.7	EM 11.2	Asia 37.0	Japan -12.9	Europe 23.8	EM 18.3	Europe 16.3	Japan -16.6
Japan -14.3	EM 18.2	Europe 25.2	EM -2.2	Europe -2.8	Asia 6.8	Europe 25.5	Asia -13.9	Japan 19.6	US 17.8	Japan 1.7	Asia -17.5
Asia -15.6	US 15.2	Asia 3.4	Japan -4.0	Asia -9.4	Japan 2.4	Japan 24.0	EM -14.6	Asia 19.2	Japan 14.5	EM -2.5	US -18.5
EM -18.4	Japan 8.2	EM -2.6	Europe -6.2	EM -14.9	Europe -0.4	US 21.1	Europe -14.9	EM 18.4	Europe 5.4	Asia -2.9	EM -20.1
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

In the subsequent 12 years, everything flipped. US became the best performing market 7 of 12 times.

Total Return: ■ EM: 11.22% ■ US: 260.29%

Source: Morningstar. EM: MSCI Emerging Market Index. US: S&P 500. Europe: MSCI Europe. Asia: MSCI AC Asia Pac Ex Japan Index. Japan: MSCI Japan Index.

By identifying investments with good fundamentals and investing in them when their valuations are low (sowing) and taking profit when the opportunities mature (harvesting), FME is designed to help investors avoid the possibility of “missing the season”, as the human tendency to chase past performance can prevent them from enjoying future strong returns.

## Historical Performance

### Calendar Return, %

Class	1 Month	YTD	2024	2023	2022	2021	2020	2019	Total Returns, %
A SGD	-1.54	-5.28	0.03	-2.41	-21.26	-	-	-	2019 - YTD
A USD	-1.22	-4.55	2.02	-0.55	-20.24	-	-	-	-
Composite <sup>1</sup>	-1.22	-4.55	2.02	-0.55	-20.24	9.36	23.37	24.61	29.85

<sup>1</sup> Calculated from 1/8/2018 using a similarly managed composite portfolio fully invested net of estimated fees. Performance since 1/7/2021 is based on actual fund performance. Past performance is not an indication of future performance. The value of the investment can go down as well as up and is not guaranteed. 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.

Signatory of:

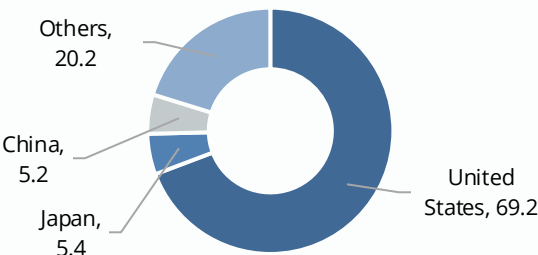


Principles for  
Responsible  
Investment

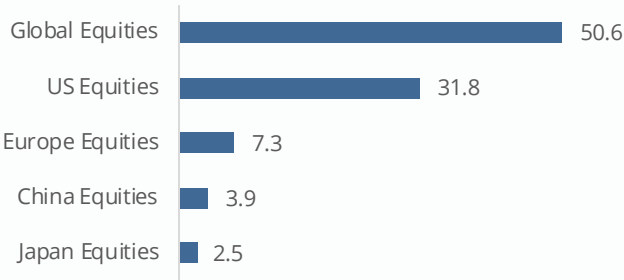


# Strategy Characteristics

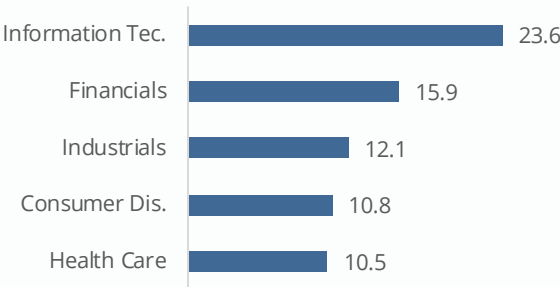
## Country Allocation, %



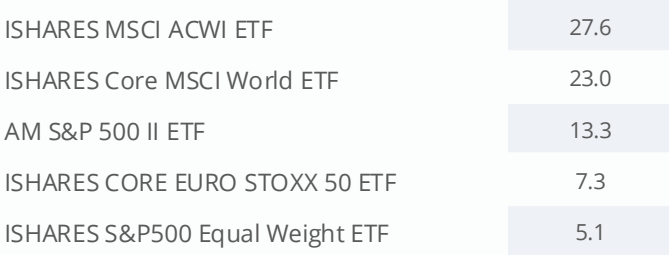
## Top 5 Market Allocation, %



## Top 5 Equity Sector Allocation, %



## Top 5 Fund Holdings, %



Source: Finexis Asset Management. Top 5 market allocation and fund holdings are at fund level. Geographical allocation and top 5 sector allocation are at portfolio look-through level. For illustrative purposes only and does not constitute to any recommendations to invest in the above-mentioned country/sector/security.

# Discerning The Signals From The Noise

A three-pronged research process to identify signals that point us to **sustainable trends** which are underappreciated by the market, which come with **good fundamentals** and **attractive valuation**, with a higher likelihood of outperforming over the long term.



## Fundamental

Study financial and economic data (e.g. GDP, unemployment rate, and inflation rate etc.) that may drive market movement to find opportunities with **good fundamentals** that are underappreciated.



## Valuation

Picking the right valuation metrics (e.g. price-to-earnings, price-to-book, EV/EBITDA etc.) to spot **undervalued opportunities** and avoid overpaying for any investment with only good stories.



## Trend

Seek inflection points in **sustainable trends** to capture overlooked opportunities and avoid less recognised risks (such as the end of a bond supercycle).

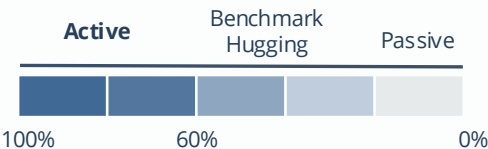
# High Level of Active Management

Many actively managed funds underperform because they have a low active share. This happens when a portfolio's holdings are very similar to the referenced benchmark, a practice commonly referred to as 'benchmark hugging'. In contrast, **funds with a high level of active management may have greater potential for outperformance in the long run**, as there is no way any fund can outperform the market if they are investing like the market.

By investing in areas where we have the greatest conviction and applying it to our whole portfolio, we aim to provide better returns over risk through a full market cycle.



Target active share > 80%



Signatory of:



Finexis Asset Management

## Market & Portfolio Developments

### Commentary

#### Market Review: A tumultuous month

April 2025 was a tumultuous month for financial markets, shaken by Trump's announcement of reciprocal tariffs that triggered a massive selloff in risk assets. The early market reactions were unprecedented in speed, with the S&P 500 recording its 5th largest 2-day drop since World War 2 following the announcement. At the same time, the VIX index surged past 50, a level only seen during the peak of the Global Financial Crisis and COVID-19. Calm began to return to equity markets after President Trump announced a 90-day pause to the reciprocal tariffs. Reading only the headline numbers, one could be forgiven for thinking it was a relatively uneventful month for equity... but it was anything but ordinary. It marked a historic period, and we experienced the S&P 500's best single day since October 2008 and its worst since March 2020.

#### Performance: Not spared, but better positioned

Similarly, FME saw declines at the start of April amid the extreme volatility before recovering their losses towards the end of the month. As US exceptionalism becomes increasingly challenged amid President Trump's unpredictable policies, FME's global mandate is better positioned to deliver stronger performance going forward. Looking beyond April, FME's year-to-date performance of -2.3% remains ahead of the S&P 500's -3.5% (as of 5<sup>th</sup> May 2025), driven by better diversification outside of US equities. We've continued to add to our ex-US positions, such as in India and Europe, to an overweight as both have structural growth tailwinds and are likely to ink a trade deal with the US.

Despite late April's stabilization, whether the equity rally can continue remains highly uncertain. Key risks include the upcoming expiration of the tariff reprieve in July, ongoing policy unpredictability, and the risk of long-term damage to US credibility. In this uncertain environment, the prudent approach is to stay flexible, avoiding concentrated bets on any single outcome and preparing for multiple scenarios.

## Fund Details

Item	Class A
Currency	SGD, USD
ISIN (SGD Class)	SGXZ58547654 (Distribution)
ISIN (USD Class)	SGXZ18072389 (Distribution)
Min. Subscription	SGD 1,500,000 USD 1,000,000
Account Opening Fee (One-time)	N/A
Min. Subsequent Subscription	SGD 15,000 USD 10,000
Max. Sales Charge	5%
Redemption Fees	
1st Year of Investment	-
2nd Year of Investment	-
3rd Year of Investment	-
4th Year Onwards	-
Management Fee	1.58%
Distribution <sup>1</sup>	4% p.a.
Distribution Frequency	Semi-annually
Fund Name	Millennium Equity Fund
Dealing Frequency	Daily
Base Currency	USD
Inception Date	18 Jun 2021 10 Jun 2021
Fund Focus	Global Equities
Fund Domicile	Singapore
Investment Manager	Finexis Asset Management
Fund Administrator	Standard Chartered Bank
Custodian	Standard Chartered Bank
Auditor	PricewaterhouseCoopers LLP
Trustee	Perpetual (Asia) Limited

<sup>1</sup>Please note that the distributions 4% p.a. (if any) may be declared semi-annually based on the Investment Manager's discretion. Distributions are not a forecast, indication, or projection of the future performance of the Fund.

Signatory of:



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