



# FAM Millennium Equity Strategy (SGD)

30 May 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.



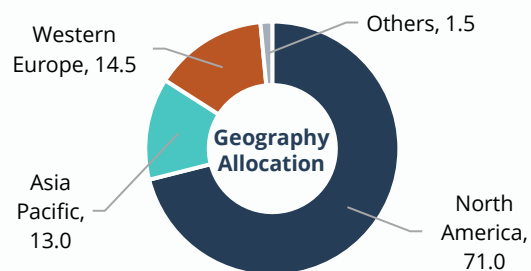
Invest Globally  
**No benchmark hugging**  
Maximize returns



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

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

### US market Season (2011 – 2022)

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

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

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

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	2019 - YTD
A SGD	5.55	-0.03	0.03	-2.41	-21.26	-	-	-	-
Composite <sup>1</sup>	5.55	-0.03	0.03	-2.41	-21.26	8.50	23.37	24.61	25.4

### Total Returns, %

<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:

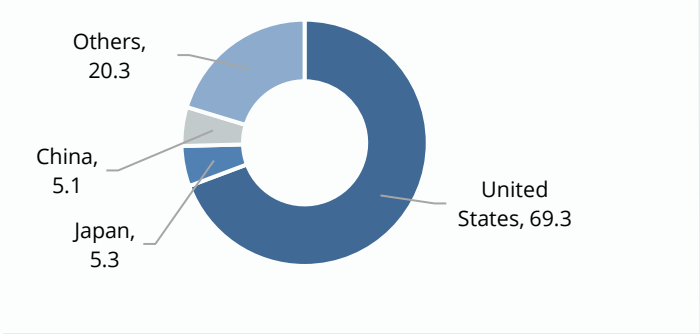


Principles for Responsible Investment

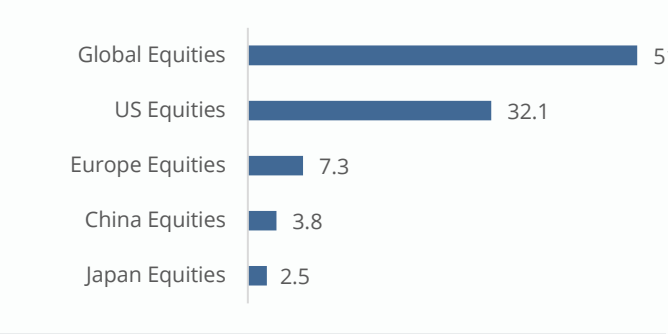


Strategy Characteristics

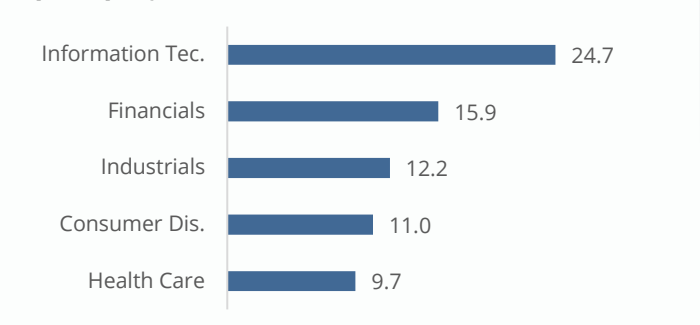
Country Allocation, %



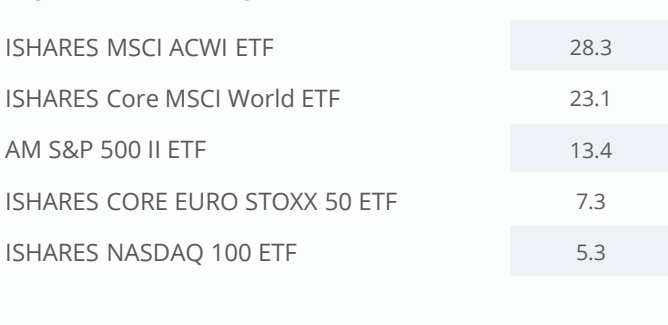
Top 5 Market Allocation, %



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.

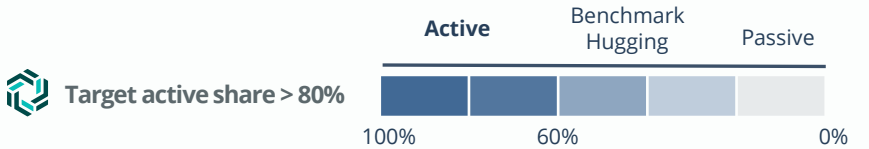
**Trend**

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.



# Market & Portfolio Developments

## Commentary

### A Resurgent Month for Equity Markets

May 2025 brought a wave of optimism to financial markets as US and China agreed to a temporary 90-day trade truce, easing fears of an escalating tariff war. This reignited risk appetite across markets and reinforced the ‘TACO’ (Trump Always Chickens Out) trade narrative. FME benefited from the risk-on environment, delivering a solid return of 5.55% for the month.

### Balanced Approach Amid Uncertainty

In an environment marked by policy unpredictability and late-cycle dynamics, we’ve maintained a prudent, balanced approach. When US equities rallied strongly ahead of other major markets over the past month, our holdings here contributed meaningfully to performance. That said, our focus has also increasingly shifted to other markets as the US exceptionalism trade show signs of fatigue – year-to-date, US equities continue to lag other regions in USD terms. Over the past months, we’ve been selectively adding to positions such as Europe and India, which has been additive to performance. One key takeaway from Trump 2.0 is for investors to look beyond just passively investing in the US S&P 500 (the winning strategy in the past decade!) to invest in this new era. With FME’s global and active mandate, we are well-positioned to capture opportunities in this new market regime.

### Outlook: Cautious Optimism After Strong Rally

While May’s rally has restored animal spirits, risks remain as we approach the end of the reciprocal tariff pause between the US and the rest of the world. Furthermore, the US fiscal trajectory and elevated bond yields could also weigh on markets in the months ahead. The road ahead may be smoother than April’s turbulence, but volatility is far from over.

# Fund Details

Item	Class A
Currency	SGD
ISIN	SGXZ58547654
Min. Subscription	SGD 1,500,000
Account Opening Fee (One-time)	N/A
Min. Subsequent Subscription	SGD 15,000
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%
Fund Name	Millennium Equity Fund
Dealing Frequency	Daily
Inception Date	18 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

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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](mailto:customer.service@finexisam.com)

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