



# Meranti Asia Fund

## Factsheet 30<sup>th</sup> September 2021



### Strategy Description

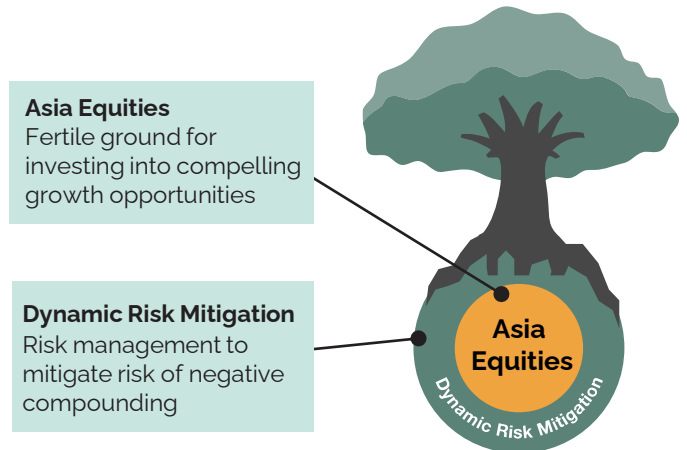
Meranti Asia Fund 'MAF' seeks long-term high growth of the portfolio by investing across Asia Pacific ex. Japan equity markets, while looking to mitigate risks during significant downturns. Instead of investing in flavour of the day concepts, the strategy focuses on structural characteristics that make sense and are backed by empirical research.

### Key Features

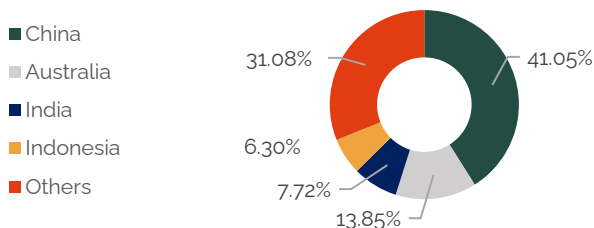
**Dynamic Risk Mitigation:** Financial crises are infrequent but inevitable. By managing risks in significant downturns, the strategy is designed to help investors endure systemic shocks and continue to invest with confidence.

**Asia Equities:** Invest into secular opportunities arising from the global shift of economic power to Asia.

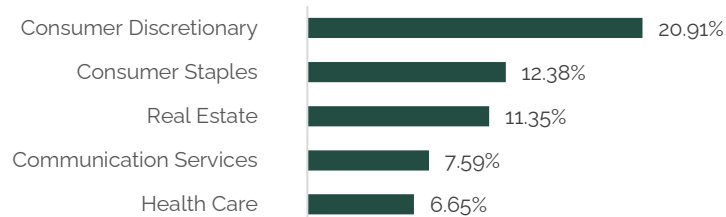
**Active Strategy:** Index funds tend to focus on less than 5% of the 33,000+ listed companies in Asia. By investing across the universe using Fundamental, Valuation, and Technical principles; the ability to be different provides outperformance potential.



### Geographical Breakdown



### Sector Allocation



### Strategy Backtest Statistics\*

Annualised Return	Volatility	Positive Months	Upside/Downside Capture
11.92%	18.84%	59%	95/77%

\* For illustrative purposes only. Calculated 29/8/2008 to 31/10/2020, inclusive of cost and fees as determined appropriate by the manager. These statistics may not be a good indication of actual performance which can differ meaningfully over shorter time periods.

### Top Equity Holdings



### Monthly Performance History

USD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	2.98%	-4.23% <sup>5</sup>				-1.48% <sup>4,5</sup>
USD B <sup>2</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-	-	-	-	-	-	-	-	-	-	8.15%	3.38%	11.81% <sup>2</sup>
2021	2.40%	0.94%	-1.34%	2.05%	0.08%	0.02%	-5.55%	3.13%	-4.23% <sup>5</sup>				-2.82% <sup>5</sup>
SGD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	0.45%	-0.29%	-5.71%	3.00%	-4.23% <sup>5</sup>				-6.84% <sup>3,5</sup>

<sup>1</sup> Performance based on the Lead Series. <sup>2</sup> Since inception of 2 Nov 2020. <sup>3</sup> Since inception of 3 May 2021. <sup>4</sup> Since inception of 2 August 2021. <sup>5</sup> Manager's estimated return. Actual return will be updated in the following month.

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### Market & Portfolio Developments

#### Market Review

Market participants found all sorts of reasons to explain the September selloff: Evergrande, Supply chain, Debt ceiling and so on. Most major markets sold off in sentiment, particularly interest-rate sensitive areas such as growth and tech. Global equities and Asian equities ended the month down -4.13% and -4.02% respectively.

#### Main Contributors 'What did well?'

Small-caps continued with their strong outperformance year-to-date alongside the ongoing global recovery – reminding us that rising COVID-19 cases does not necessarily equate to an economic rout (we cover this in more detail in [Commentary October 2021](#)). The current evidence continues to point towards a recovery, albeit at an uneven pace.

Our FVT process also led us to invest in names with more favorable risk/reward, and as a result avoided holding a few of the pricey tech stocks that fell sharply in the past month.

#### Main Detractors 'What underperformed?'

Due to ongoing concerns around China's regulatory clampdown, our portfolio's HK-listed companies also sold-off in sentiment and detracting from overall performance. We continue to stick to our process to take advantage of such volatility; adding to positions as their margin of safety increases, and taking profits on the way up.

#### Market Outlook

The past few months is a reminder that markets remain uncertain and volatile, especially as economies transition from recession to recovery to expansion. In such an environment, we continue to stick to our active strategy via 'FVT' to invest in opportunities where the risk/reward is skewed in our favour. We also continue to emphasize effective diversification, by having differentiated positions in our portfolios that takes turn to perform and complementing each other.

<sup>6</sup> Please note that the distributions (if any) may be declared semi-annually based on the Investment Manager's discretion. If distributions are made, such distributions are not a forecast, indication or projection of the future performance of the Fund. <sup>7</sup> Charged on high water mark basis, with zero hurdle rate.

About **Meranti**: The Meranti fund series is named after the Meranti tree, which is native to Singapore and the region. It is a canopy and emergent tree; providing shade from its place at the top layer of a rainforest where sunlight is plentiful. To reach such great heights, the trees have a strong and wide system of roots to help provide stability while also gathering more nutrients. Likewise, Meranti funds were developed around a Dynamic Risk Mitigation process so that investors can invest with confidence and harvest the full potential of capital growth through market cycles.

About **FAM**: Finexis Asset Management is a Capital Markets Services (CMS) licensed fund management company established in Singapore, focusing on bringing institutional capabilities to private clients. The boutique set-up ensures that we are flexible, responsive and proactive. We embrace the latest technology and constantly improve our processes to complement our investment solutions. Constant evolution to fulfil our investor's needs is ingrained in our beliefs.

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)

### Fund Details

Item	Class A	Class B
Currency	USD, SGD	
ISIN (USD Class)	SGXZ99381758 (Distribution)	SGXZ76017904 (Accumulation)
ISIN (SGD Class)	SGXZ64383987 (Distribution)	SGXZ78636883 (Accumulation)
Projected Distribution <sup>6</sup>	4% p.a.	-
Min. Subscription	USD 400,000 SGD 500,000	USD 40,000 SGD 50,000
Account Opening Fee (One-time)	N/A	USD 3,000 SGD 4,000
Min. Subsequent Subscription	USD 10,000 SGD 15,000	USD 10,000 SGD 15,000
Redemption Fees		
1st Year of Investment	-	3%
2nd Year of Investment	-	2%
3rd Year of Investment	-	1%
4th Year Onwards	-	0%
Management Fee	1.78%	0%
Performance Fee <sup>7</sup>	0%	20%
Fund Name	Meranti Capital VCC Asia Fund	
Dealing Frequency	Monthly	
Base Currency	USD	
Inception Date	2 November 2020	
Fund Domicile	Singapore	
Investment Manager	Finexis Asset Management	
Fund Administrator	ASCENT Fund Services (Singapore)	
Custodian	Standard Chartered Bank	
Auditor	KPMG LLP	
Broker	Goldman Sachs (Asia) L.L.C.	
Legal Advisors	BTPLaw LLC	

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