



Meranti Asia Fund

Factsheet 28th February 2022



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

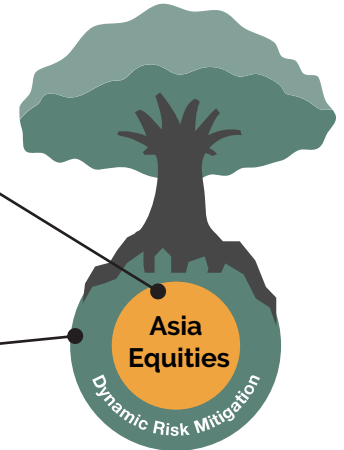
Dynamic Risk Mitigation: Financial crises are infrequent but inevitable. By managing risks in significant downturns, the strategy is designed to help investors endure systemic shocks and continue to invest with confidence.

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

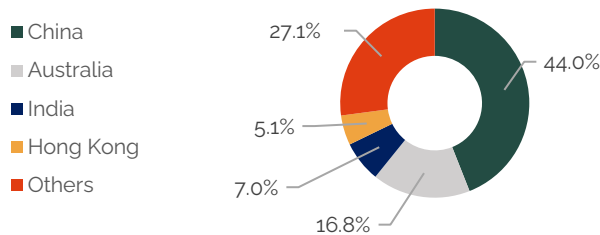
Active Strategy: Index funds tend to focus on less than 5% of the 33,000+ listed companies in Asia. By investing across the universe using Fundamental, Valuation, and Technical principles; the ability to be different provides outperformance potential.

Asia Equities
Fertile ground for investing into compelling growth opportunities

Dynamic Risk Mitigation
Risk management to mitigate risk of negative compounding



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

SGD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	0.45%	-0.29%	-5.71%	3.00%	-4.63%	1.51%	-3.90%	-2.10%	-11.40% ³
2022	-4.70%	-0.81% ⁵											-5.47% ⁵
USD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	2.98%	-4.50%	1.66%	-3.90%	-1.99%	-5.83% ⁴
2022	-4.71%	-0.81% ⁵											-5.48% ⁵
USD B ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-	-	-	-	-	-	-	-	-	-	8.15%	3.38%	11.81% ²
2021	2.40%	0.94%	-1.34%	2.05%	0.08%	0.02%	-5.55%	3.13%	-4.36%	1.81%	-3.76%	-1.84%	-6.65%
2022	-4.57%	-0.66% ⁵											-5.20% ⁵

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

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Market & Portfolio Developments

Market Review

Market volatility persisted into the month of February, with Asian equities down 1.13%. One key factor sending markets further into the red was the invasion of Russia into Ukraine, which happened abruptly overnight and against the market backdrop of rate hike fears.

Main Contributors 'What did well?'

Our preference for 'Value' in the portfolio continued to contribute positively to overall performance, highlighting the importance of having a margin of safety that provided resilience during the continued market sell-off.

What we did not invest in continued to help with relative performance. Our FVT (Fundamental, Valuation, Technical) process leads us away from areas that are deemed to have poorer risk/reward. By doing so, we avoided a number of 'pricier' tech stocks that fell sharply in the past month. For reference, stocks such as Meituan declined 24.8% in February.

Main Detractors 'What underperformed?'

Following a stretch of performance in 2021, 'Small-cap' detracted from overall performance in the midst of volatility and sell-offs by risk-averse investors. As Asian central banks focus on accommodative policies, Small-caps have the potential to do well as economies continue to grow.

Outlook

Concerns over impending interest rate hikes and the uncertainty around the developments of the Russia-Ukraine invasion are a timely reminder of the need to diversify across differentiated and complementary strategies (i.e. Value, Small-cap, Momentum) to withstand the inevitable bumps and bruises of the stock market. We are cautiously optimistic about the more positive state of economic fundamentals that the world is in today and are also guided by history which shows that market response to wars was usually volatile, but tends to be positive within 12 months. Our Asian portfolio is expected to recover strongly in such a scenario as they are structured to withstand interim shocks and declines, while also retaining meaningful recovery potential as economic expansion resumes.

⁶ 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. ⁷ Waiver of account opening fees for investors through the platforms. ⁸ 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

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 ⁶	4% p.a.	-
Min. Subscription	USD 400,000 SGD 500,000	USD 40,000 SGD 50,000
Account Opening Fee ⁷ (One-time)	USD 3,000 SGD 4,000	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 ⁸	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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