



# Meranti Millennium Equity Fund

## Factsheet 31<sup>st</sup> January 2022



### Strategy Description

Meranti Millennium Equity Fund 'MME' seeks long-term high growth of the portfolio by investing opportunistically across global equity markets, while looking to mitigate risks during significant downturns. Instead of investing in flavour of the day concepts, the strategy focuses on key performance drivers that make sense and are backed by empirical research.

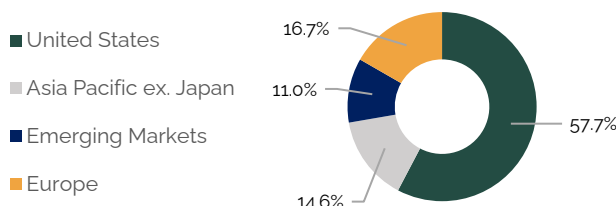
### Key Features

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

**High Return Potential:** Capture ongoing opportunities by taking advantage of market volatility to invest into attractive equity markets with high expected returns.

**Active Strategy:** Markets exhibit trends and cycles that create ongoing opportunities to invest in. Using Fundamental, Valuation, and Technical principles; we aim to invest into differentiated markets with favourable risk/reward that can deliver long-term outperformance.

### Geographical Breakdown



### Top 5 Fund Holdings

Fund Name
Allianz Best Styles Global Equity Fund
Amundi Funds European Equity Value
SPDR S&P 600 Small Cap Value ETF
Granahan US SMID Select Fund
TT Emerging Market Unconstrained Fund

### Monthly Performance History

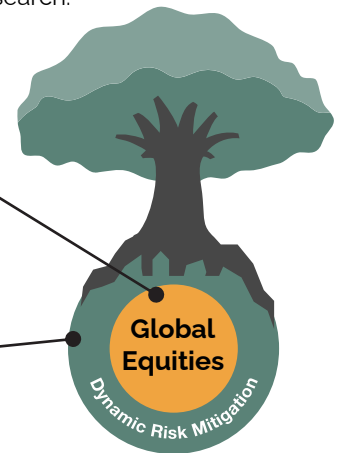
SGD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	2.30%	1.98%	0.76%	-5.35%	0.65%	-2.41%	2.58%	-5.42%	2.40%	-2.87% <sup>2</sup>
2022	-5.81% <sup>1</sup>												
USD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-	-	-	-	-	-	-	0.65%	-2.34%	2.62%	-5.38%	2.47%	-2.20% <sup>2</sup>
2021	-5.81% <sup>1</sup>												
USD B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	1.95%	1.62%	0.77%	-5.22%	0.80%	-2.20%	2.78%	-5.24%	2.62%	-2.51% <sup>2</sup>
2022	-5.75% <sup>1</sup>												

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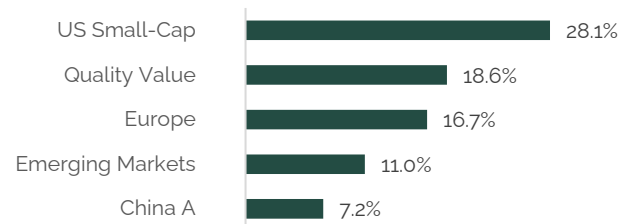
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**Global Equities**  
Invest into attractive equity opportunities globally

**Dynamic Risk Mitigation**  
Risk management to mitigate risk of negative compounding



### Market Breakdown



### Portfolio Statistics\*

Average Month	Volatility	Best Month	Worst Month	Positive Months
0.98%	16.30%	13.61%	-9.87%	64%

\*For illustrative purposes only. Calculated monthly from 1/8/2018 using a similarly managed composite portfolio fully invested net of fees. Performance since 1/4/2021 is based on actual monthly fund performance net of any management fees. Portfolio statistics may not be a good indication of actual performance and can differ meaningfully over shorter time periods.



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### Market & Portfolio Developments

#### Market Review

Asset markets had a volatile start to the year, with global equities dropping -4.89%. The main reason cited for this is the increased likelihood that the Fed would raise interest rates soon, a milestone in unwinding years of QE that started from the 2008 Global Financial Crisis. To be clear, the Fed has not raised its Fed Funds rate since March 2020, but forward-looking markets have already started to price in the impact of higher rates.

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

Our undervalued **Europe equity** positions contributed positively to returns on the back of the continued economic expansion in the region. A few of our **Asian equity** holdings bounced back from their underperformance in 2021 and were more resilient in the midst of the broader market sell-off.

#### Main Detractors 'What underperformed?'

**US Small Caps** detracted from performance over the past month as concerns around rising interest rates negatively impacted high-growth segments in the portfolio. We continue to maintain a balanced position within US small-caps as they are expected to benefit from ongoing economic expansion, and as they trade at a wide discount to US large-caps peers. Following a stretch of meaningful positive performance in 2021, **Quality Value** and **Healthcare equities** declined on the back of the broader market sell-off. In our view, these positions provide useful diversification to the rest of the portfolio as they have a relatively more stable earnings growth profile independent of the broader economic climate.

#### Portfolio Activity

We added on to existing **Quality Value equities** which is a more resilient way for us to participate in the ongoing economic expansion, particularly in the face of rising interest rates. Consequently, we re-allocated a portion of **Health Care equities** positions here.

#### Market Outlook

Amid continued VUCA (refer to the [latest market commentary](#) for a re-cap on VUCA) environment, we continue to emphasize on constructing portfolios that can withstand interim shocks and not having to scramble on every headline news or market volatility. We are cautiously optimistic that the US Fed will try to secure an optimal balance between economic growth and curbing inflation, allowing for continued economic expansion that is expected to benefit our portfolios. Nonetheless, we continue to monitor developments and indicators closely and utilise our FVT process to invest in opportunities when their risk/reward is attractive.

<sup>1</sup>Manager's estimated return net of fees for each respective class. Actual return may differ and will be updated in the following month. Please reach out to your advisor to find out about the longer strategy track record. <sup>2</sup>YTD refers to performance since inception. <sup>3</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>4</sup>Waiver of account opening fees for investors through the platforms <sup>5</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)

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### Fund Details

Item	Class A	Class B
Currency	USD, SGD	
ISIN (USD Class)	SGXZ35636000 (Distribution)	SGXZ56727852 (Accumulation)
ISIN (SGD Class)	SGXZ32206252 (Distribution)	SGXZ53567772 (Accumulation)
Projected Distribution <sup>3</sup>	4% p.a.	-
Min. Subscription	USD 400,000 SGD 500,000	USD 40,000 SGD 50,000
Account Opening Fee <sup>4</sup> (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 <sup>5</sup>	0%	20%
Fund Name	Meranti Capital VCC Millennium Equity Fund	
Dealing Frequency	Monthly	
Base Currency	USD	
Inception Date	1 April 2021	
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	