



## Strategy Description

FAM Alternative Income Fund 'FAI' seeks stable and recurring income that is independent of market performance by investing opportunistically in truly alternative investments, instead of traditional income assets such as equities and bonds. The strategy focuses on performance drivers that make sense and are backed by empirical research.



Alternative Asset Class



Target 3% Above Money Market



Income Rain or Shine



Exclusive Capacity: 'Quality over Quantity' approach



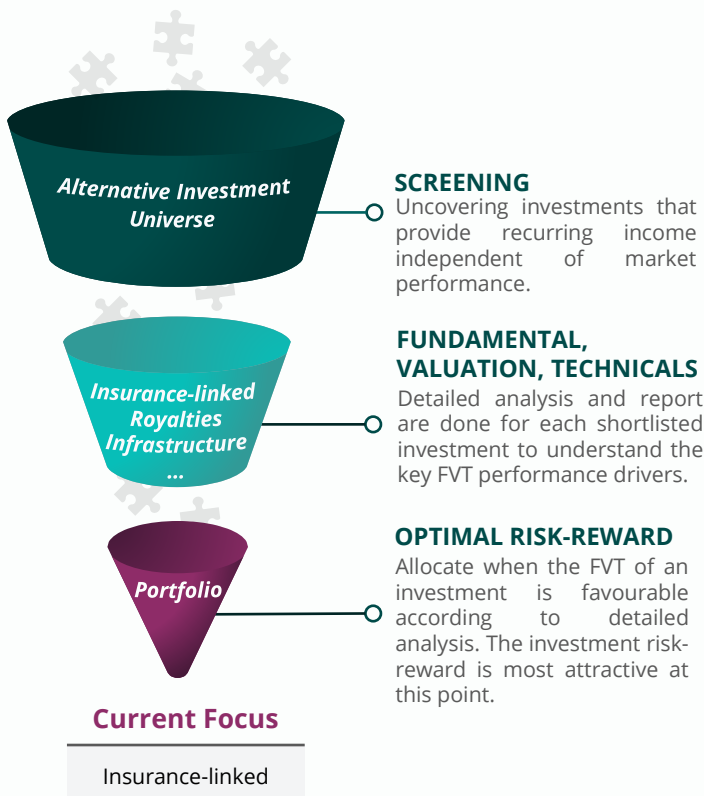
Fundamental, Valuation, Technicals

*"Diversify and gain income resilience through targeted exposure to various alternative investments."*

## Selection Process

Illustration of how we select the right investments:

1 2 3 Portfolio Investment(s)



Our **Alternative** universe comprises non-traditional investments (other than equities, bonds, and cash) that do not rely on broad market trends to perform

## Dividend information

Class	Distribution date*	Distribution frequency	Dividend per share	Special dividend
A SGD	18 Aug 2024	Monthly	\$0.53	-
A USD	18 Aug 2024	Monthly	\$0.63	-
A SGD	18 Jul 2024	Semi-annual	\$3.20	-
A USD	18 Jul 2024	Semi-annual	\$3.80	-
A SGD	22 Jan 2024	Semi-annual	\$3.20	-
A USD	22 Jan 2024	Semi-annual	\$3.80	-

\* Distribution date refers to the payable date for cash dividends.

## Portfolio Statistics

Average Monthly Return (since inception)	1.01
Annual Volatility	3.44
Correlation to Equity <sup>1</sup>	0.23
Correlation to Bonds <sup>1</sup>	0.22
Annual Return over Money Market <sup>2</sup>	4.68

Portfolio statistics refers to the strategy composite and the actual performance of FAI. Strategy composite consists of the potential opportunity set considered from 31/12/2002 to 1/11/2022. <sup>1</sup> Correlation to equity and correlation to bonds are calculated with references to the MSCI World Equity Index and Global Aggregate Bond Index, respectively. <sup>2</sup> Return over money market is calculated using gross returns. Statistics shown may not be a good indication of actual performance which can differ meaningfully over shorter time periods.

## Historical Performance

### Calendar Returns, %

SGD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-	-	-	-	-	-	-	-	-	-	0.51	0.97	1.48
2023	1.02	1.10	1.17	1.17	1.00	0.95	1.30	1.15	0.78	0.78	0.25	0.31	11.54
2024	1.11	0.84	0.80	0.37	-0.42	0.54	0.69 <sup>1</sup>						3.99%
USD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-	-	-	-	-	-	-	-	-	-	-	1.08	1.08
2023	1.09	1.07	1.39	1.20	1.04	1.20	1.40	1.27	0.70	1.13	0.47	0.51	13.20
2024	1.34	1.08	0.96	0.47	-0.25	0.71	0.86 <sup>1</sup>						5.28%

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. <sup>1</sup> Manager's estimated return. Monthly estimated returns will be updated in the following month.

Signatory of:



# Market & Portfolio Developments

## Commentary

### High income with low volatility does not mean a straight line

FAI had gains of 0.86% in July, “reversing” the lean stretch from March to June.

There were some concerns when monthly performance moderated from March. “Is something wrong?” These seeds of doubt grew when May was down -0.25%. Anyone who judged on this pattern and redeemed would have lost out on the subsequent gains. This shows how looking at short periods without wider context can be detrimental to investors.

FAI also went through period of “leaner” returns in 2023, only to lead to a period of strong returns after that. Even then, it is a lot less volatile than our peer-beating income solution FGI, which derives its income from economies and markets. Here, we remind investors that depending on economies and markets is not a bad thing; in fact, it is how most investment strategies make their money.

FAI is different from many other strategies in that it is less volatile and less correlated. FAI is similar to many other strategies in that they need to go through lean periods before showing strong performance.

### High income with low volatility does not mean it is riskless

FAI’s objective is to deliver return of 3% over cash. Not only has it done so, but it has also over delivered. First, investors need to recognize that anytime they get a return over cash, it is not without risk. The key is what kind of risk, and whether the environment is conducive for that kind of risk.

Admittedly, the conditions have been conducive for our strategy which led to the higher than expected returns. This is not accidental; we actively allocate to risks that we expect to be conducive, rather than just get exposure to risk.

The conditions continue to be favourable and we have laid the ground for FAI to continue to generate high income. However, we are going into a period of higher volatility so investors need to brace themselves so that they can be around to reap the high income.

## Fund Details

Item	Class A
Currency	SGD, USD
ISIN (SGD Class)	SGXZ71698914 (Distribution)
ISIN (USD Class)	SGXZ97877740 (Distribution)
Min. Subscription	SGD 500,000 USD 400,000
Account Opening Fee <sup>1</sup> (One-time)	SGD 4,000 USD 3,000
Min. Subsequent Subscription	SGD 15,000 USD 10,000
Management Fee	1.2%
Fund Name	FAM Alternative VCC Income Fund
Dealing Frequency	Monthly
Base Currency	USD
Inception Date	1 Nov 2022 (SGD Class) 1 Dec 2022 (USD Class)
Fund Focus	Alternative Income
Fund Domicile	Singapore
Investment Manager	Finexis Asset Management
Fund Administrator	ASCENT Fund Services (Singapore) Pte. Ltd.
Custodian	Standard Chartered Bank (Singapore) Limited
Broker	Standard Chartered Bank (Singapore) Limited
Auditor	PWC LLP

<sup>1</sup> Waiver of account opening fees for investors through the platforms.

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