



FAM Global Income Strategy

31 July 2024

Our Strategy

Bond markets experienced a massive reset in 2022 when the US Federal Reserve embarked on the fastest interest rate hiking cycle in modern history, bringing great opportunities for long-term fixed income investors. The FAM Global Income (FGI) strategy is designed as a choice for investors who want to **receive regular income** but also recognize that the opportunity comes with a more unpredictable landscape going forward. **Beyond traditional markets and asset classes**, FGI aims to generate **multiple streams of truly diversified and solid income**, with potential capital appreciation to prepare for the uncertain world.



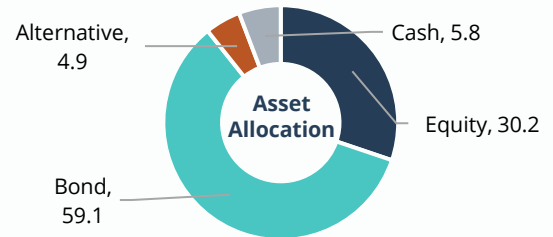
Multi asset holding **beyond traditional** fixed income and equity



Generate solid income targeted at **6% per annum**

FVT

Focus on **undervalued opportunities** with **good fundamentals** in sustainable trends

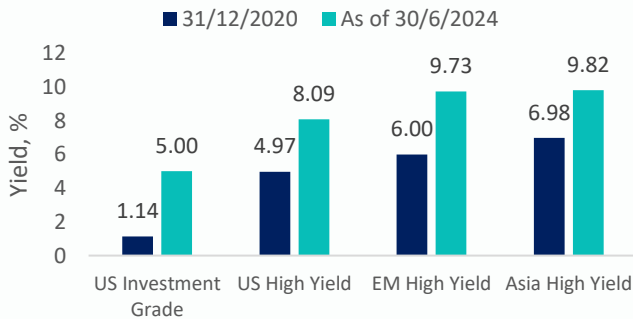


Enhanced Income Solution

Since July 2023, FGI has focused its strategy on taking advantage of the higher interest rate environment. By going beyond common Developed Markets into underappreciated Emerging Markets and Alternative assets, the strategy captures attractive solid income from diversified sources across global markets.

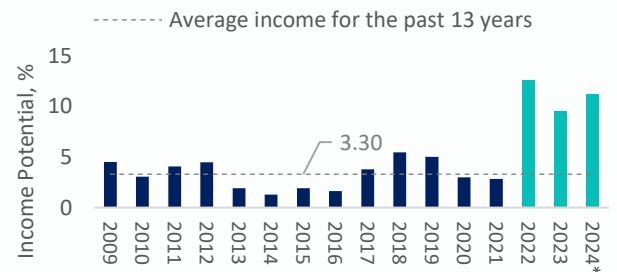
Embrace higher yields in underappreciated markets

Compared to more common Developed Market bonds, Emerging Market and Asia High Yield bonds are higher yielding options, providing solid income with potential upside.



Income potential from Alternative Assets

Non-market related (-0.01 correlation) investment is giving around 10% income in years 2022 and 2023 compared to the average 3.3% average income over the past 13 years.



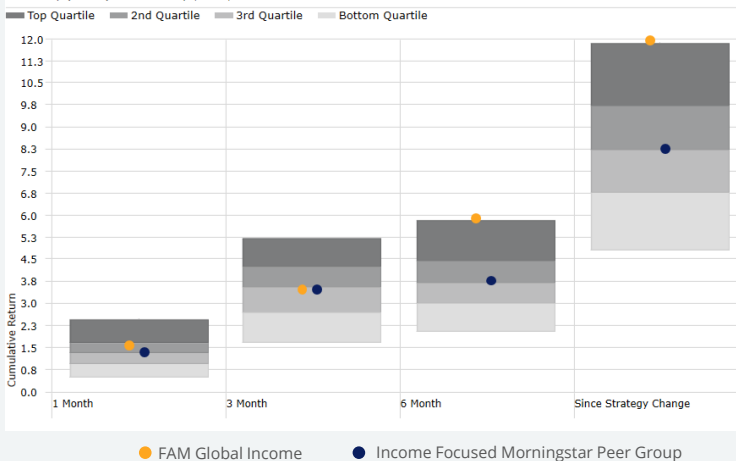
*Data as of 30 June 2024. Yield figures are updated semiannually.

Performance Overview

Peer group comparison¹

As of Date: 31 July 2024

Peer Group (5-95%): Funds - Europe/Africa/Asia - USD Cautious Allocation



Calendar performance

Class	1Month	YTD	Jul - Dec 23	Total Return ²
A SGD	1.41	4.47	4.77	9.45
A USD	1.59	5.67	5.95	11.96
Yield To Maturity	9.41	-	-	-

Since strategy launched in July 2023, the performance of FGI has been doing much better than the top quartile in Morningstar Peers comparison (refer to chart on the left), make the top 1% in ranking.

Dividend information

Class	Distribution date ³	Distribution frequency	Dividend per share
A SGD	07 Aug 2024	Monthly	\$0.45
A USD	07 Aug 2024	Monthly	\$0.48
A SGD	05 Jun 2024	Semi-annual	\$2.70
A USD	05 Jun 2024	Semi-annual	\$2.90

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. ¹Peer group comparison data is updated on the last month of each quarter. ²Total return since shift of strategy focus to an income strategy starting July 2023 onwards. ³Distribution date refers to the payable date for cash dividends.

Signatory of:

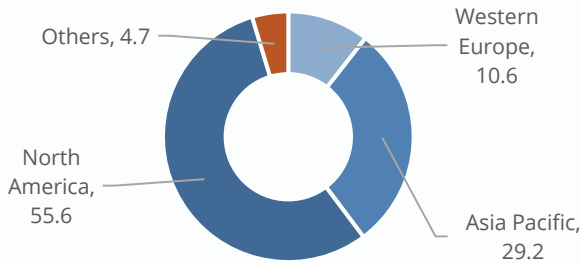


Principles for Responsible Investment

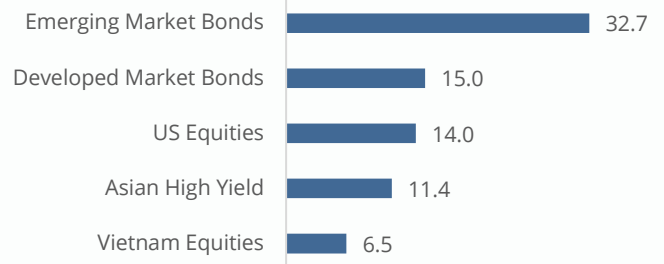


Strategy Characteristics

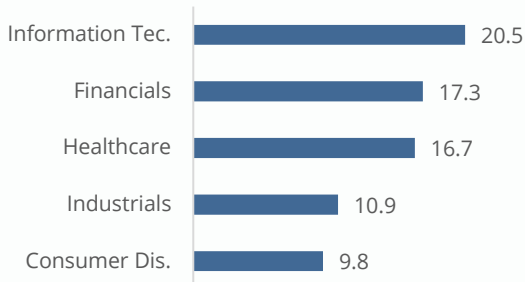
Equity Geographical Allocation, %



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).

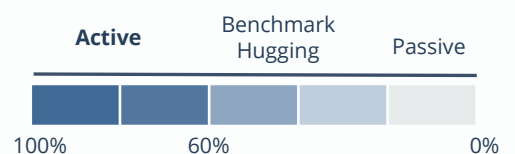
High Level of Active Management

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.



Target active share > 80%



Signatory of:



Market & Portfolio Developments

Fund Commentary

Amid a bumpier but positive July for markets, FGI delivered total returns of 1.6% as our fixed-income positions continued to deliver resilient income, and equity also delivering capital gains for investors. As expectations for an upcoming Fed interest rate cut grew, this also provided good support for our portfolio's holdings.

Of course, July's bumpier markets looked relatively calm compared to what we just experienced in the 1st week of August: Japan equities led declines in global risk assets in a sudden and sharp sell-off. In contrast, our portfolio's core fixed-income holdings continued to hum along, experiencing only minimal declines. This contributed to the continued resilient performance of FGI amid volatile markets.

FGI's objective is to deliver a more sustainable high income compared to the mostly homogenous income solutions available for investors today. This is achieved by ensuring that the portfolio is constructed with a strong core of diversified fixed-income holdings (70% of the total portfolio) that can generate multiple streams of income, with the remaining 30% of the portfolio invested into attractive equity opportunities for long-term capital appreciation potential for our investors.

Of course, the resilience of our strategy does not mean that investors should not expect to experience declines from time to time. Generating cash-beating returns does not come without risk. While we have allocations to Alternative income which can be truly uncorrelated, other positions require the economies and markets to do well to generate strong returns. For now, the weight of evidence points to a more orderly economic slowdown and upcoming Fed rate cuts that would be favourable for our current positioning.

Key Position Highlights

We highlight positions that reflect the strategy's tactical asset allocation view, backed by our study of market patterns and trends over time. As a result, our strategies can be highly differentiated from conventional benchmarks, with the aim of long-term investment success.

Emerging Market & Asian High Yield To Capture High Yields For Outstanding Total Return

- Yields have risen for bond investments due to the higher interest rate environment since Q4 2022. The current higher yield is an indication of good total returns in the coming 3 years:

Asian High Yield	Sep 2008	Oct 2011	Dec 2023
Starting Yield	13.6%	12.9%	11.4%
Next 3Y total Returns	42.1%	40.7%	?

- We look to be on track to deliver similar strong returns since Dec 2023, Asian High Yield is up 12.98%.
- Today, **yields for Emerging Market and Asia High Yield bonds are still significantly higher than Developed Markets**. While this comes with higher volatility, we believe the margin of safety is there following meaningful declines in 2021.

Alternative Assets To Provide An Attractive And Differentiated Source of Income

- Alternatives are an essential part of any income strategy going forward. FGI's alternative income provides stable and uncorrelated returns for investors.
- Traditional income investments experienced large price swings and declines in 2022 as the Fed embarked on one of the fastest interest rate increases in recent memory.
- Differentiated alternative income assets such as music royalties and assets with 'toll-booth' investment qualities (that offer significant recurring revenue for their investors) offer the potential to generate stable income independent of traditional equity and bond performance.
- FGI's current focus is on insurance-linked alternative assets due to the high-income potential offered (~10%) while being highly differentiated from market risks.

Fund Details

Item	Class A
Currency	SGD, USD
ISIN (SGD Class)	SG9999019384 (Distribution Class)
ISIN (USD Class)	SGXZ71589303 (Distribution Class)
Min. Subscription	SGD 1,500,000 USD 1,000,000
Account Opening Fee (One-time)	N/A
Min. Subsequent Subscription	SGD 15,000 USD 10,000
Max Sales Charge	5%
Management Fee	1.5%
Targeted Distribution ¹	6% p.a.
Distribution Frequency	Semi-annually
Fund Name	Global Income Fund
Dealing Frequency	Daily
Base Currency	USD
Inception Date*	16 Aug 2018 (SGD) 18 Jul 2018 (USD)
Fund Focus	Global Multi-Asset
Fund Domicile	Singapore
Investment Manager	Finexis Asset Management
Fund Administrator	Standard Chartered Bank
Custodian	Standard Chartered Bank
Auditor	PricewaterhouseCoopers LLP
Trustee	Perpetual (Asia) Limited

¹Please note that the distributions at 6% p.a. (if any) may be declared semi-annually based on the Investment Manager's discretion. Distributions are not a forecast, indication, or projection of the future performance of the Fund.*Income strategy is implemented from July 2023.

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 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

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Finexis Asset Management Pte. Ltd. (Company Registration No. 201525241K) www.finexisam.com

Signature of:



Highlights of Sub-Fund Managers

Lombard Odier Asian High Yield

Lombard Odier Investment Managers is part of the Lombard Odier Group, a global private bank managing \$300+ billion in assets across its wealth and asset management expertise. With a dedicated team of 180 professionals, it manages \$70 billion of assets across diverse strategies in equity, fixed income, multi-asset, convertible bond, alternatives, and private markets.

The Lombard Odier Asia Value Bond is one of the largest Asia credit fund today. Managed by a team of five investment experts as part of a 22-strong global fixed income team, the strategy has seen a long track record of outperformance against its peer group.

The strategy is underpinned by a 'value-biased strategy that leverages on rigorous top-down and bottom-up analysis to uncover value and fundamentally strong opportunities through market cycles; maintaining close interaction with companies and management. The strategy was awarded the Platinum award at the Fund Selector Asia Awards in 2020, in addition to Lipper awards for "Best Asia Credit Strategy in Hard Currency".



50 years
investment
experience



70 billion
AUM Worldwide



22 Global FI
professionals



Fund Selector Asia
Awards 2020