



Meranti Millennium Equity

31 August 2024

Our Strategy

Throughout human history, no society has enjoyed access to as vast information as we do today. While this abundance and convenience of information have their advantages, it has also brought constant anxiety to investors as they grapple with the decision to buy or sell. Not to mention the pressure they face during unexpected and potentially catastrophic events such as the 2008 Great Financial Crisis where the price of global equity markets declined sharply by -60%. **Meranti Millennium Equity strategy (MME)** is designed to set aside a fixed protection budget to help investors not only stay invested but also top up when markets are at their maximum fear, which is inevitable in the journey of any long-term equity investor.



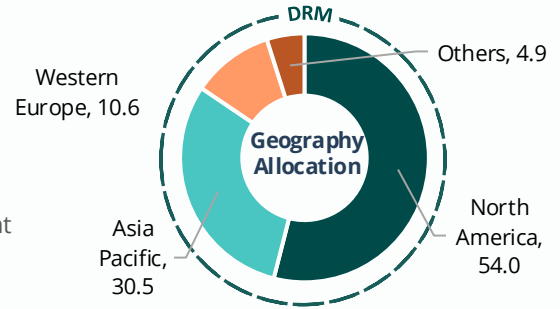
Invest Globally
No benchmark hugging
Maximize returns



Capital Appreciation
compounded at 8%
target return over
longer term



Dynamic Risk Management
(DRM)
Fixed budget
Keep investors calm

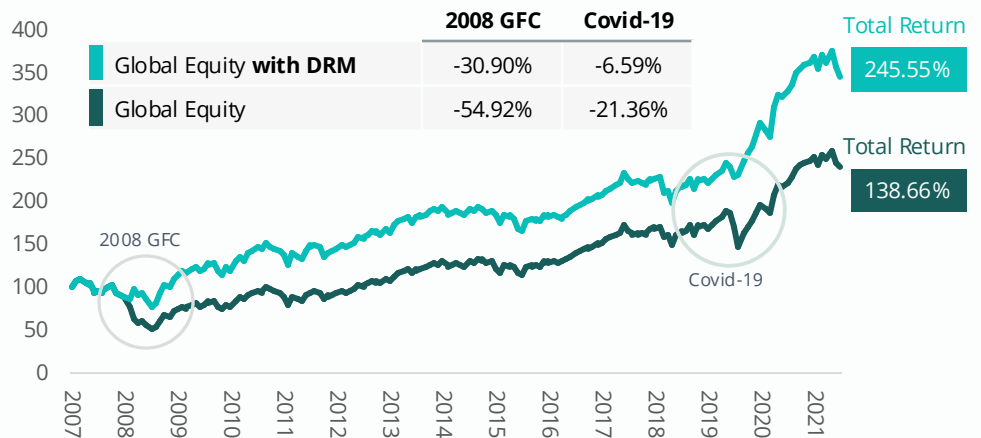


Power Of Loss Aversion In Both Returns And Emotions

Leverage on the Meranti Millennium Equity (MME) strategy to participate in the global economic growth without worrying about market crashes which can hurt investment returns significantly. The greater the loss, the harder it is for investors to recover:

Returns to Recover Losses

Loss of	Gain of
1%	1.01%
5%	5.3%
10%	11%
20%	25%
33%	50%
50%	100%
75%	300%



In times of significant market downturns, such as the Great Financial Crisis of 2008 and the Covid-19 pandemic in 2020, an investor using Dynamic Risk Management (DRM) to invest in global equities would have experienced smaller drawdowns and ultimately achieved a higher return than an investor without such protection.

Historical Performance

Monthly Return, %

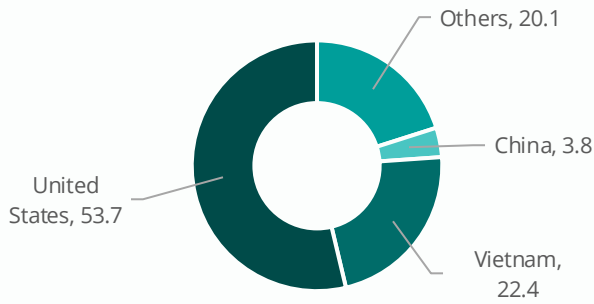
Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	9.55	2.96	-2.03	2.50	-6.83	5.99	1.15	-1.78	0.09	2.57	2.00	3.34	20.27
2020	-0.68	-4.70	3.90	7.49	0.78	2.48	6.42	3.99	-5.53	-0.02	13.61	7.06	38.78
2021	4.87	6.16	-2.40	3.50	2.15	0.97	-5.70	0.65	-2.34	2.62	-5.38	2.47	6.96
2022	-5.94	-1.61	-1.00	-8.28	-0.11	-6.38	3.45	-2.89	-10.21	2.97	9.92	-2.78	-22.00
2023	9.37	-4.95	-0.74	-2.56	-4.00	3.88	4.82	-6.19	-5.24	-7.47	6.57	5.60	-2.71
2024	-5.09	5.03	2.67	-5.48	2.80	-1.14	1.77	1.99 ¹					2.04 ¹

Performance from 1/1/2019 to 1/7/2021 is calculated using a similarly managed composite portfolio fully invested net of estimated fees. Performance since 1/7/2021 is based on actual fund performance. ¹ Manager's estimated return net of fees. Actual returns may differ and will be updated in the following month. 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

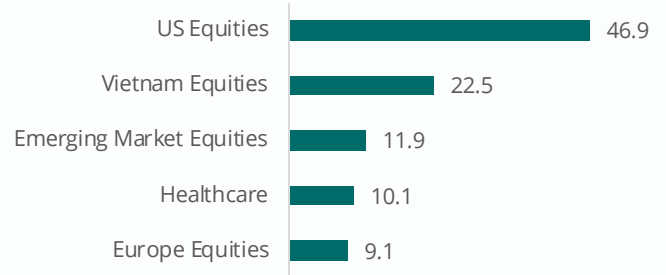


Strategy Characteristics

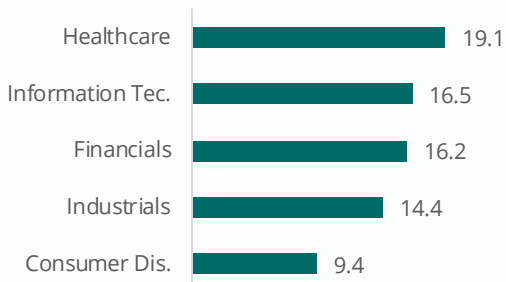
Geographical Allocation, %



Top 5 Market Allocation, %



Top 5 Equity Sector Allocation, %



Top 5 Fund Holdings, %

VanEck Morningstar Wide Moat ETF	24.2
GS US Equity Strategy	19.5
iShares MSCI Emerging Markets ETF	11.9
Lumen Vietnam Fund	11.3
VinaCapital Vietnam Fund	11.2

Source: Finexis Asset Management. Others include countries in Asia Pacific, Western Europe, Africa/Middle East, and South & Central America. The top 5 market allocations and fund holdings are at the fund level. Geographical allocation and top 5 sector allocation are at the portfolio look-through level. For illustrative purposes only and does not constitute 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).

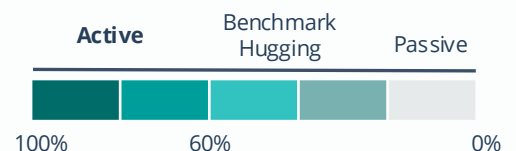
High Level of Active Management

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

More defensive while providing upside

August was a reflection of the heightened volatility that one should expect in a late-stage economic cycle. This will manifest as sudden and large moves as market participants with stretched positions react to each data release.

Trying to predict when these large moves will happen is difficult - even the experts cannot do so consistently. Even though one cannot predict each data release, much less react to it promptly, it is possible to prepare the portfolio based on pattern of data points that inform us of where we are in the economic and market cycle.

The weight of evidence indicates economies are at a late stage and facing slower growth (softer labour markets, weakness in manufacturing etc.). MME was resilient during the August decline as we had improved the quality of our portfolio's holdings going into August.

We moved away from some "high profile" positions this year such as China earlier in the year and more recently US small caps. It was a tough decision as these were positions with low valuations (which we typically like!), but we've assessed the current environment to be challenging for their fundamentals. After all, cheap can get cheaper in the short-term.

Performance	Aug 2024
MME	+2.32%
US Small caps	-1.50%
China A	-1.51%

In a month like August where fear and greed came to the fore, the numbers indicate that the decision to shore up the portfolio defenses paid off as markets like China and US small caps ended the month down.

The upcoming September rate cut, and a seemingly more proactive Fed may have given us more reasons to revisit economically-sensitive opportunities like Small-caps once more, but we are not jumping the gun just yet. Such opportunities require not just rate cuts but also more sustainable growth to do well - the missing ingredient that we are now looking out for.

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.

EM & Vietnam To Position For The Next Up-Cycle



Source: Bloomberg. Relative price performance. Quarterly price data MSCI Emerging Market Index vs MSCI World Index from 31 Dec 1987 - 31 July 2024

- After a challenging stretch of performance, Emerging Market (EM) equities are set up to do well, offering good upside potential.
- Vietnam is one under-the-radar emerging market. This is an economy with strong growth tailwinds (such as the rapidly growing middle class, strong Foreign Direct Investments, etc.) available at attractive valuations today. This is a good opportunity for us to benefit and capitalize on the next potential 'Asian Tiger' economy with their rapid pace of growth.

Dynamic Risk Management

- Black swan events are unexpected and potentially catastrophic for an investment portfolio e.g. 2008 Great Financial Crisis where the price of global equity markets declined sharply by -60%.
- DRM addresses the urge of investors to exit the market in anticipation of market crashes that may ultimately prove to be wrong. This is done through a series of option positions to protect against extreme market declines. For example:

Options Budget Overview			
Position	Initial OTMness	Initial Expiry	Annual Budget
SPX Put Option	50%	3m	0.3%
SPX Put Option	30%	3m	0.5%
SPX Put Option	20%	3m	1.0%

- DRM specialists target options that are highly cost-efficient and highly convex. In contrast to common hedging strategies, this means that DRM can achieve a high level of protection many times the cost of protection. E.g. \$3k able to protect portfolio value of about \$100k in periods of sharp and large declines.

Fund Details

Item	Class A	Class B
Currency	SGD, USD	
ISIN (SGD Class)	SGXZ32206252 (Distribution)	SGXZ53567772 (Accumulation)
ISIN (USD Class)	SGXZ35636000 (Distribution)	SGXZ56727852 (Accumulation)
Projected Distribution ²	4% p.a.	-
Min. Subscription	SGD 500,000 USD 400,000	SGD 50,000 USD 40,000
Account Opening Fee ³ (One-time)	SGD 4,000 USD 3,000	SGD 4,000 USD 3,000
Min. Subsequent Subscription	SGD 15,000 USD 10,000	SGD 15,000 USD 10,000
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 ⁴	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	PWC LLP	
Broker	Goldman Sachs (Asia) L.L.C.	
Legal Advisors	BTPLaw LLC	

²Please 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. ³Waiver of account opening fees for investors through the platforms. ⁴Charged on high water mark basis, with zero hurdle rate.

Highlight of Sub-Fund Managers

VinaCapital Vietnam Equity

VinaCapital is one of the largest investment management firms in Vietnam with assets under management of US\$ 4 billion. Being Vietnam's only multi-disciplinary investment manager covering the full range of traditional and alternative asset classes, they are uniquely positioned to leverage their broad perspective to create value for investors.

Their goal is to discover the best investment opportunities in Vietnam by leveraging their extensive relationships, local investment knowledge, analytical capabilities, and financial expertise. Such capabilities and local resources are important for investing in one of the fastest-growing emerging economies globally.

The VinaCapital Vietnam Fund (VVF) utilizes a bottom-up stock-picking approach combined with disciplined risk management to identify companies with high quality and earnings growth. The outcome is a high-conviction portfolio of companies that are expected to deliver long-term sustainable capital appreciation for investors.

The strategy has delivered attractive long-term annualized returns of over 10% p.a. representing a meaningful outperformance over the local Vietnam markets since fund inception in July 2015.



**20+ years
experience**



**\$4 billion
AUM Worldwide**



**Bottom-up
stock selection
strategy**

Signatory of:



Share Class Performance History

Monthly Return, %

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 ⁵
2022	-5.93	-1.62	-1.06	-8.39	-0.25	-6.48	3.33	-2.93	-10.59	2.89	9.60	-2.75	-23.04
2023	9.25	-5.00	-0.94	-2.64	-4.20	3.61	4.68	-6.42	-5.46	-7.63	6.42	5.38	-4.68
2024	-5.34	4.85	2.50	-5.62	2.64	-1.33	1.63	1.82 ¹					0.62 ¹
USD A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	0.65	-2.34	2.62	-5.38	2.47	-2.20 ⁶
2022	-5.94	-1.61	-1.00	-8.28	-0.11	-6.38	3.45	-2.89	-10.21	2.97	9.92	-2.78	-22.00
2023	9.37	-4.95	-0.74	-2.56	-4.00	3.88	4.82	-6.19	-5.24	-7.47	6.57	5.60	-2.71
2024	-5.09	5.03	2.67	-5.48	2.80	-1.14	1.77	1.99 ¹					2.04 ¹
USD B ⁷	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 ⁵
2022	-5.80	-1.46	-0.86	-8.14	0.04	-6.24	3.62	-2.74	-10.07	3.12	10.09	-2.64	-20.57
2023	9.54	-4.81	-0.59	-2.42	-3.85	4.03	4.98	-6.05	-5.09	-7.34	6.73	5.76	-0.94
2024	-4.95	5.19	2.82	-5.34	2.95	-0.99	1.92	2.14 ¹					3.26 ¹

¹Manager's estimated return net of fees. Actual return may differ and will be updated in the following month. ⁵Since inception of 1 April 2021. ⁶Since inception of 2 August 2021. ⁷Performance based on the Lead Series 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.

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 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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Signatory of:



Principles for
Responsible
Investment

