



Meranti Millennium Equity

30 September 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.



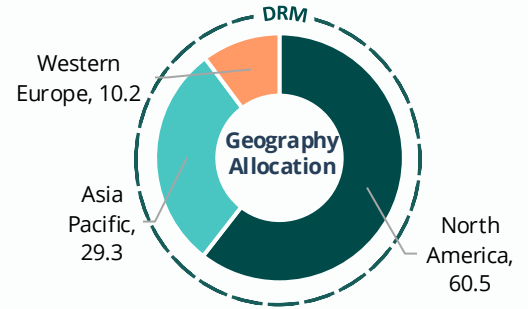
Invest Globally
No benchmark hugging
Maximize returns



Capital Appreciation
compounded at 8%
target return over
longer term



Dynamic Risk Management
(DRM)
Fixed budget
Keep investors calm

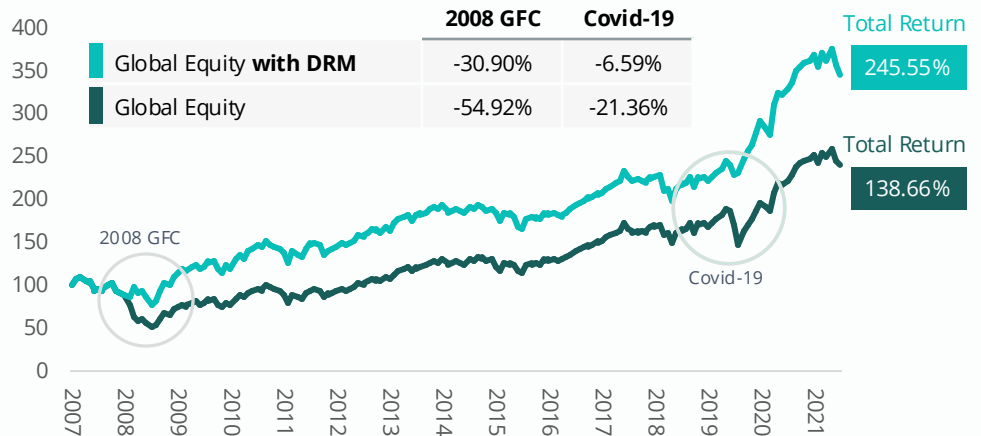


Power Of Loss Aversion In Both Returns And Emotions

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, %

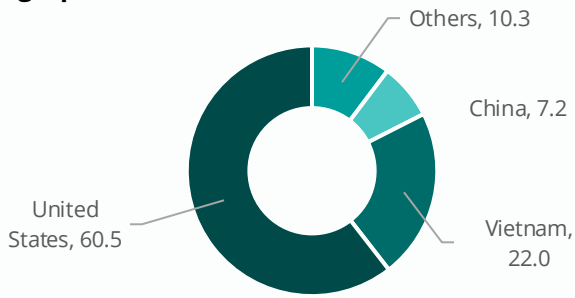
Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	9.55	2.96	-2.03	2.50	-6.83	5.99	1.15	-1.78	0.09	2.57	2.00	3.34	20.27
2020	-0.68	-4.70	3.90	7.49	0.78	2.48	6.42	3.99	-5.53	-0.02	13.61	7.06	38.78
2021	4.87	6.16	-2.40	3.50	2.15	0.97	-5.70	0.65	-2.34	2.62	-5.38	2.47	6.96
2022	-5.94	-1.61	-1.00	-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	2.00	1.76 ¹				3.85 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

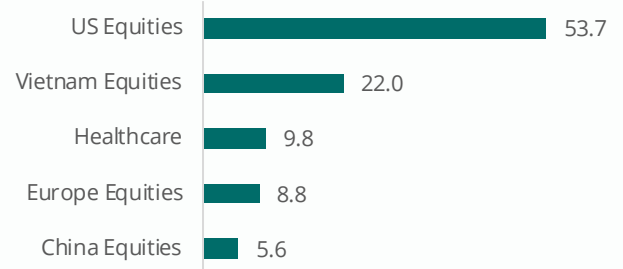


Strategy Characteristics

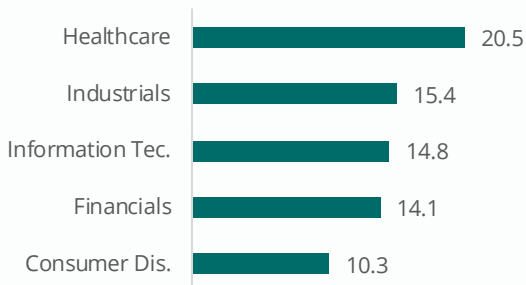
Geographical Allocation, %



Top 5 Market Allocation, %



Top 5 Equity Sector Allocation, %



Top 5 Fund Holdings, %



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 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).

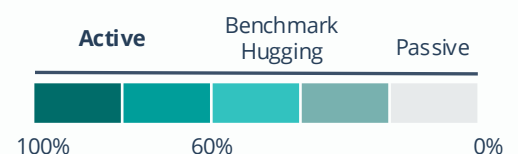
High Level of Active Management

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

Markets began September on a weak note, seemingly in line with September's historically poor seasonality. However, mid-month brought about a shift in sentiment alongside the outsized rate cut by the US Fed and a surprisingly broad range of stimulus measures coming out of China, which helped push equities higher. **MME was more resilient during periods of volatility, while still capturing good gains when markets rebounded – the strategy recorded increases of 1.76% in the past month.**

Don't fight the US Fed or China PBoC

The past month was a clear indication of the commitment by global central banks to steer their economies into a soft-landing. With inflation coming down convincingly, central banks are now able to more confidently use the tools at their disposal to prevent an economic downturn. Indeed, a study by Bank of America showed September being the biggest month of easing since April 2020, with 21 rate cuts across global central banks. China, previously reluctant to embark on meaningful stimulus, also surprised markets with its most aggressive stimulus measures since the pandemic; creating interesting opportunities for global strategies like MME. All else equal, this supports a continuation of the global expansion and is expected to benefit our positions.

That said, data continue to indicate that economies remain in a late-cycle environment characterized by slowing (but not collapsing growth). We remain cautiously optimistic going into the end of the year, balancing higher quality segments such as Healthcare, with positions across Emerging Markets such as China and Vietnam that present better upside potential in a recovery scenario. We are on high alert for any signs of stress (or a growth rebound!) that would prompt us to adjust the strategy 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.

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.

Signatory of:



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	1.96	1.59 ¹				2.36 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	2.00	1.76 ¹				3.85 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	2.15	1.91 ¹				5.24 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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Finexis Asset Management Pte. Ltd. (Company Registration No. 201525241K) www.finexisam.com

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Principles for
Responsible
Investment

