



FAM Millennium Equity Strategy

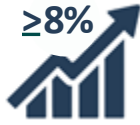
30 November 2024

Our Strategy

Following the 2008 Global Financial Crisis and the 2020 Pandemic, the flood of unprecedented liquidity and low interest rates in markets propelled prices of nearly all assets to record highs. Today, it is increasingly challenging for investors to achieve above-market returns using the “winning formula” of the past decade. The FAM Millennium Equity (FME) strategy is designed for investors who are willing to avoid crowded markets and embrace volatility, to achieve above-market returns over the next decade.



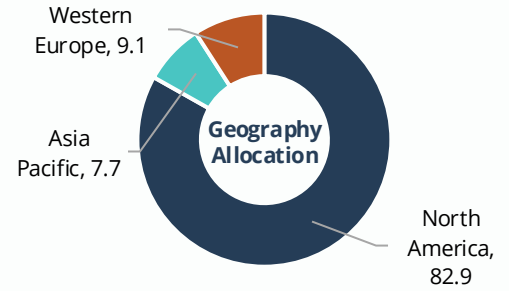
Invest Globally
No benchmark hugging
Maximize returns



Capital Appreciation
compounded at 8%
target return over
longer term

FVT

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



Taking Advantage of the Market Cycle

Just as in nature, there are also seasons in financial markets. Sowing and harvesting in the wrong season can be detrimental to any investment. Rather than trying to accurately predict year-on-year movements, we believe that capturing long-term cycles and trends brings a much greater impact for investors. There have been two important seasons in the past 20 years:

Emerging Market Season (2001 – 2010)

Best ↑ ↓ Worst	EM	Asia	EM	EM	EM	Europe	EM	Japan	EM	EM
	13.8	-5.6	55.8	25.6	34.0	33.7	39.4	-29.2	78.5	18.9
	Asia	EM	Asia	Asia	Japan	Asia	Asia	US	Asia	Asia
	10.7	-6.2	47.7	22.2	25.5	32.4	36.5	-37.4	73.2	18.1
	US	Japan	Europe	Europe	Asia	EM	Europe	Europe	Europe	Japan
	3.5	-10.3	38.5	20.9	20.1	32.1	13.9	-46.4	35.8	15.4
	Europe	Europe	Japan	Japan	Europe	US	US	Asia	US	US
	0.0	-18.4	35.9	15.9	9.4	15.1	4.9	-51.9	25.6	14.4
	Japan	US	US	US	US	Japan	Japan	EM	Japan	Europe
	-1.2	-22.5	28.0	10.2	4.3	6.2	-4.2	-53.3	6.3	3.9
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

In the first 10 years, EM topped the market 7 of 10 times, while the US was nearly always at the bottom.

Total Return: ■ EM: 337.02% ■ US: 8.63%

US market Season (2011 – 2022)

US	Asia	US	US	Japan	US	EM	US	US	Asia	US	Europe	
1.5	22.3	31.5	13.0	9.6	11.2	37.3	-4.9	30.7	22.4	28.2	-15.1	
Europe	Europe	Japan	Asia	US	EM	Asia	Japan	Europe	EM	Europe	Japan	
-11.1	19.1	27.2	2.8	0.7	11.2	37.0	-12.9	23.8	18.3	16.3	-16.6	
Japan	EM	Europe	EM	Europe	Asia	Europe	Asia	Japan	US	Japan	Asia	
-14.3	18.2	25.2	-2.2	-2.8	6.8	25.5	-13.9	19.6	17.8	1.7	-17.5	
Asia	US	Asia	Japan	Asia	Japan	Japan	EM	Asia	Japan	EM	US	
-15.6	15.2	3.4	-4.0	-9.4	2.4	24.0	-14.6	19.2	14.5	-2.5	-18.5	
EM	Japan	EM	Europe	EM	Europe	US	Europe	EM	Europe	Asia	EM	
-18.4	8.2	-2.6	-6.2	-14.9	-0.4	21.1	-14.9	18.4	5.4	-2.9	-20.1	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

In the subsequent 12 years, everything flipped. US became the best performing market 7 of 12 times.

Total Return: ■ EM: 11.22% ■ US: 260.29%

Source: Morningstar. EM: MSCI Emerging Market Index. US: S&P 500. Europe: MSCI Europe. Asia: MSCI AC Asia Pac Ex Japan Index. Japan: MSCI Japan Index.

By identifying investments with good fundamentals and investing in them when their valuations are low (sowing) and taking profit when the opportunities mature (harvesting), FME is designed to help investors avoid the possibility of “missing the season”, as the human tendency to chase past performance can prevent them from enjoying future strong returns.

Historical Performance

Calendar Return, %

Class	Calendar Return, %							Total Returns, %
	1Month	YTD	2023	2022	2021	2020	2019	
A SGD	1.05	3.13	-2.41	-21.26	-	-	-	-
A USD	1.15	5.02	-0.55	-20.24	-	-	-	-
Composite ¹	1.15	5.02	-0.55	-20.24	9.36	23.37	24.61	40.05

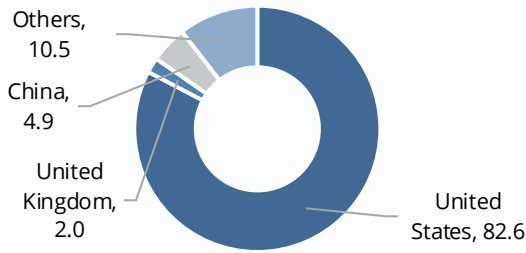
¹ Calculated from 1/8/2018 using a similarly managed composite portfolio fully invested net of estimated fees. Performance since 1/7/2021 is based on actual fund performance. Past performance is not an indication of future performance. The value of the investment can go down as well as up and is not guaranteed. 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.

Signatory of:

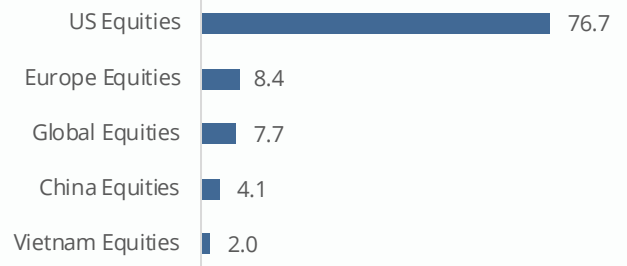


Strategy Characteristics

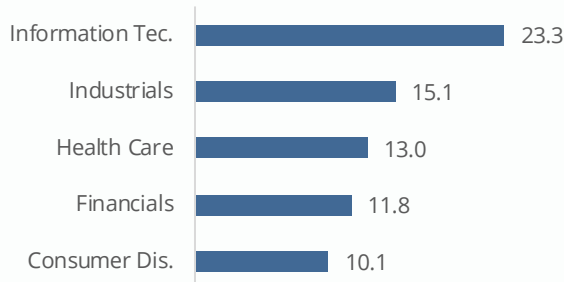
Country Allocation, %



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).

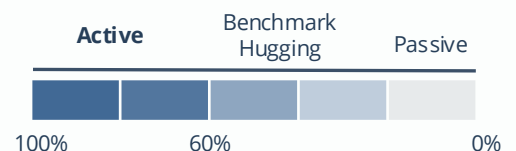
High Level of Active Management

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

Commentary

Two significant events dominated investor attention over the month: the U.S. presidential election and China's National People's Congress (NPC) meeting. The U.S. election was perceived as a key risk event, and investors expressed relief at its conclusion. The outcome was seen as pro-risk, contributing to U.S. equity markets reaching all-time highs. The anticipation surrounding the election had created volatility, but with the results in, markets began to stabilize and price in a more optimistic outlook.

Conversely, the results of China's NPC meeting did not meet investor expectations. Many offshore investors were hoping for substantial stimulus measures to enhance consumption amid rising tariff risks following Donald Trump's election. However, the announced RMB 10 trillion local debt swap program primarily aimed at addressing systemic risks associated with local government debt, failing to provide the anticipated support for consumption or property market stabilization. This disappointment halted the rally in Chinese equities, which had surged in September.

Following the U.S. election results, a "no-landing" scenario began to take shape in market expectations, characterized by resilient growth and persistent inflation with fewer anticipated rate cuts from the Federal Reserve. This environment favored U.S. equities, especially small-cap stocks and financials, while bond markets struggled due to concerns over inflation and fiscal deficits. The appointment of Scott Bessent as U.S. Treasury Secretary alleviated some fears regarding runaway inflation, leading to a decline in Treasury yields and a weakening of the U.S. dollar.

Barring any surprises, the **path of least resistance is for risk assets to continue grinding higher towards year end**. Fundamentals and sentiments are still supportive of a Christmas rally.

Looking forward, the **December FOMC meeting will be crucial, as markets will watch for any signs of a more hawkish stance from the Fed**. Additionally, the **sequencing and size of tariffs under Trump's administration remain a wildcard** that could impact market dynamics.

FME is positioned to benefit from diversifying in the rest of the US market such as the 493 stocks. While emerging markets retain a lot of potential, sentiment is not strong, hence they will be managed dynamically as two key global risk events unfold over the next one to two months.

US Exceptionalism is set to continue, but Diversification is Essential

- With Trump's victory and the Federal Reserve's ongoing rate cuts, the narrative of **US exceptionalism continues to prevail**.
- That said, S&P 500 has risen by more than 20% for each of the past two years, and historical trends indicate that future index gains may be more modest. Also, there are market concentration and high valuation risks that long term investors should be worried about.
- More importantly, **the earnings growth gap between the 493 stocks and the Magnificent 7 is expected to narrow in 2025**. Therefore, for our US exposures we are positioned to benefit by diversifying in the rest of the market such as the 493 stocks.

Earnings	2023	2024	2025
Growth Progression: Mag 7 vs. Rest of Index	CY	CYE	CYE
Mag 7	40%	31%	20%
Rest of Index	-5%	3%	12%
S&P 500	1%	8%	14%

Source: Factset, Bloomberg

Fund Details

Item	Class A
Currency	SGD, USD
ISIN (SGD Class)	SGXZ58547654 (Distribution)
ISIN (USD Class)	SGXZ18072389 (Distribution)
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%
Redemption Fees	
1st Year of Investment	-
2nd Year of Investment	-
3rd Year of Investment	-
4th Year Onwards	-
Management Fee	1.58%
Distribution ¹	4% p.a.
Distribution Frequency	Semi-annually
Fund Name	Millennium Equity Fund
Dealing Frequency	Daily
Base Currency	USD
Inception Date	18 Jun 2021 10 Jun 2021
Fund Focus	Global Equities
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 4% 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.

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**

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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