FAM Global Opportunities Plus Strategy

31 December 2024

Our Strategy

In today's uncertain world, partnering with managers well-versed in Alternatives is essential for more predictable outcomes. The FAM Global Opportunities Plus (FGO+) strategy is designed for investors who understand the need to invest across Equities, Bonds, and Alternatives, but prefer to avoid the emotional struggle while navigating a sea of complex data for asset allocation decisions. This paves the way for investors to enjoy the rewards of long-term investing with peace of mind.

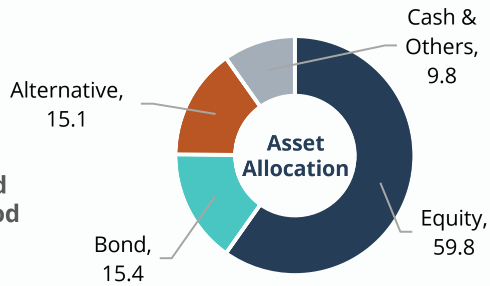
20% Alternative holding to **enhance return** and lower volatility

≥6%

Capital appreciation **compounded at 6%** target return over longer term

FVT

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

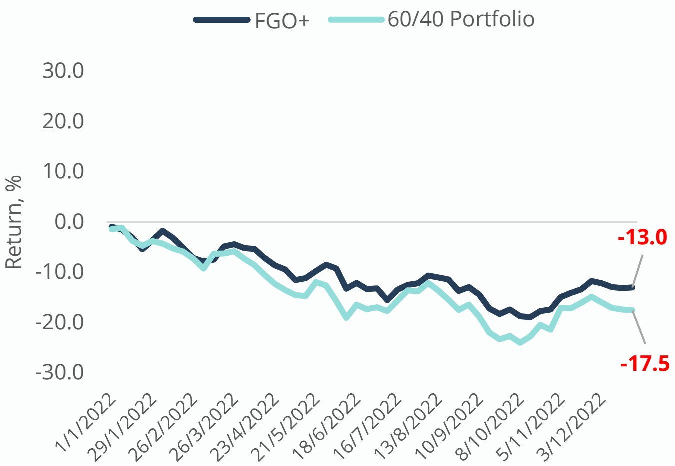


Enhanced Multi-Asset Strategy: True Diversification

Having gone through a painful 2022, traditional '60/40' (60% equity, 40% bond) asset-allocation investors are left wondering about the effectiveness of diversification in a 'changed' world. Incorporating a 20% allocation to Alternatives, FGO+ enhanced asset-allocation portfolio delivers a less painful investing experience without compromising on long-term upside potential.

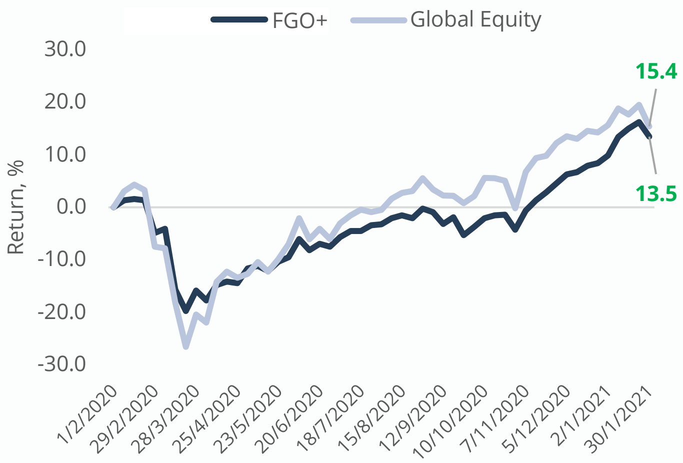
Manage Market Downside

When the traditional '60/40' portfolio faced its worst year in 2022, FGO+ declined less due to the 20% allocation to Alternatives.



Capture Market Upside

In the right market conditions (e.g. Feb 2020 to Jan 2021), FGO+ has managed to deliver similar returns to the global equity index.



Source: Morningstar. **(Left)** Data from 1/1/2022 – 31/12/2022. 60/40 portfolio: MSCI ACWI Index 60%, Bloomberg Global Aggregate Index 40%. **(Right)** Data from 1/2/2020 - 30/1/2021. Global equity: MSCI ACWI Index 100%.

Historical Performance

Calendar Return, %								**Total Returns, %**
Class	1Month	YTD	2023	2022	2021	2020	2019	2019 – YTD
A SGD	-2.04	1.21	0.57	-13.76	4.74	8.74	13.22	13.20
A USD	-1.87	3.24	2.41	-13.02	4.99	9.70	15.09[1]	21.90[1]
B SGD	-1.86	2.02	2.17	-12.63	4.00	8.17	14.04	16.82
B USD	-1.73	4.89	3.97	-11.70	5.10	9.02	14.53	26.37

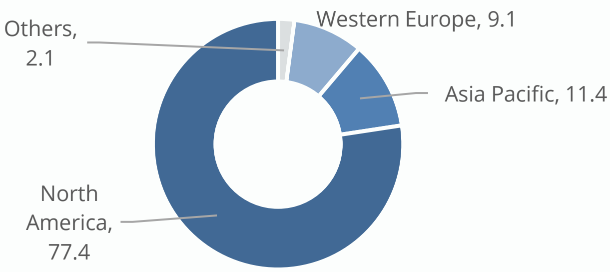
[1]Returns calculated since fund inception date on 2 Jan 2019. Past performance is not an indication of future performance. The value of the investment can go down as well as up and is not guaranteed. Source: Finexis Asset Management. Share class performance is calculated using NAV of the share class with income reinvested and including ongoing charges, excluding any entry and exit fees

Signatory of: PRI Principles for Responsible Investment

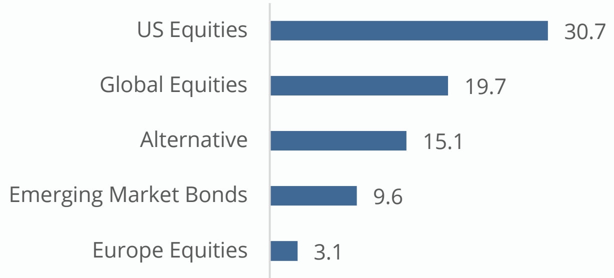
Finexis Asset Management

Strategy Characteristics

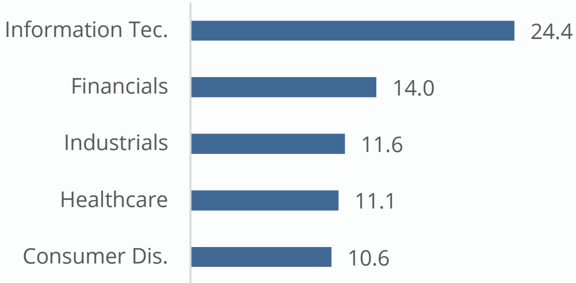
Equity Geographical Allocation, %



Top 5 Market Allocation, %



Top 5 Equity Sector Allocation, %



Top 5 Fund Holdings, %

ISHARES Core MSCI World	12.0
Emerging Market Corporate High Yield Debt Fund	9.6
ISHARES MSCI ACWI ETF	7.7
Vaneck Morningstar Wide Moat	7.2
SPDR S&P 500 ETF	5.2

Source: Finexis Asset Management. Others include Central Asia, Africa/Middle East and South & Central America. 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.

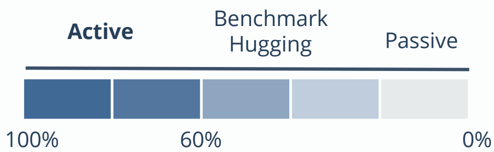
Trend — Seek inflection points in **sustainable trends** to capture overlooked opportunities and avoid less recognised risks (such as the end of a bond supercycle).

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%



Market & Portfolio Developments

2024 was a year of contrasts for multi-asset portfolios such as FGOP. If we were to reduce it to one reason, it would be US exceptionalism. Anyone investing on this theme would have done well in equities, but using this theme would not have worked for fixed income.

Equity: US exceptionalism worked

2024 was a good year provided one positioned their portfolio at the start of the year to be very concentrated in US large cap stocks. Indeed, one's investment experience and outcome would have varied enormously on this single decision. 2024 was a case where if one was not in US growth stocks, investing almost anywhere else was a drag. This contributed to lacklustre performance across many active strategies, and our equity exposures were not spared.

Fixed income: US exceptionalism did not work

2024 was not great for the typical income investor. Common income strategies did not fare well relative to even money market funds (cash). In such a challenging environment for income investors, FGOP's income segment outperformed from its active allocation to high yield markets, specifically in Emerging Market and Asia High Yield

Alternatives: US exceptionalism does not matter

Having said that, equities are volatile. The S&P 500 suffered its steepest decline (>3%) from Christmas to the end of the year since 1952, as investors reduced their expectations for the pace of Fed rate cuts following a hawkish December policy meeting. While US equities retraced since the December FOMC meeting, other "Trump trades" such as the long (stronger) US dollar maintained their strong momentum through the holiday period.

Alternatives have an important role to diversify for when equities and bonds do not do well. For example, trend following was positive in Dec when both equities and bonds were down. This was because they were meaningfully short selling bonds and long US dollar during the hawkish December FOMC meeting. Furthermore, the fund's exposure to alternative income provided returns even when equity or bond markets declined. Within alternatives, we like holding gold as a diversifier to hedge against inflation and geopolitical risks into 2025.

Positioning for the road ahead

We look forward with cautious optimism and look to utilise different levers available to a multi-asset portfolio to generate compelling risk-adjusted return.

Equity: US, and the rest

Near term, global equities are expected to continue to do well. The current positive economic backdrop, with the AI-narrative expanding beyond mega-cap tech is overall supportive for risk-assets. In the US, potential tax cuts and de-regulation could also boost corporate earnings, justifying elevated valuations (for now) and allowing for further gains here.

In the near term, the path of least resistance is for markets to be rangebound up till Trump's inauguration on January 20th. More clarity on US policy is required to navigate through Trump's second term, to determine if the same drivers of performance will remain in play. The portfolio is positioned to benefit from further gains in US markets, while being cognizant of risk events that may prompt us to adjust exposures without taking money off the table too early.

Income: Shifting gears

We continue to see limited upside to longer-dated bonds with lower relative yields and volatile interest rate path (though they would do quite well if we see a recession; a lower probability event for now). Within fixed income, we continue to like shorter-duration bonds that are still offering attractive yields to income investors.

At the risk of dampening enthusiasm, the outlook for high-yield in 2025 leans toward cautious optimism. In the current environment, we're more inclined to start taking money off the table on Asian high yield, and broadly high yield. High-yield markets globally are yielding less than 8%. This means that while one can still get a higher return in high yield compared to cash, there is less potential for capital gains while being exposed to more volatility.

Unlike the period of close to zero interest rates in the prior regime, it is not as crucial today to overstretch for high yield to get income. Having benefitted from high-yield markets, we are gradually shifting our fixed-income positions up in quality without giving up too much yield. We believe that 2025 will be another good year for income investors, but it requires a more delicate balance between earning income and mitigating volatility.

Fund Details

Item	Class A	Class B
Currency	SGD, USD	
ISIN (SGD Class)	SG9999019392 (Accumulation)	SGXZ91932061 (Accumulation)
ISIN (USD Class)	SGXZ13719315 (Accumulation)	SGXZ15311152 (Accumulation)
Min. Subscription	SGD 1,500,000 USD 1,000,000	SGD 200,000 USD 150,000
Account Opening Fee (One-time)	N/A	SGD 4,000 USD 3,000
Min. Subsequent Subscription	SGD 15,000 USD 10,000	SGD 15,000 USD 10,000
Max Sales Charge	5%	N/A
Redemption Fees		
1st Year of Investment	-	3%
2nd Year of Investment	-	2%
3rd Year of Investment	-	1%
4th Year Onwards	-	0%
Management Fee	1.5%	0%
Performance Fee[1]	0%	20%
Fund Name	Global Opportunities Plus Fund	
Dealing Frequency	Daily	
Base Currency	USD	
Inception Date	2 Aug 2018 2 Jan 2019	10 Sep 2018 2 Jul 2018
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	

[1]Charged on high water mark basis, with zero hurdle rate.

Highlight of Sub–Fund Managers

Winton Group
Alternative

Winton is a **pioneer in trend-following strategies** and one of the most successful hedge funds in the world. It is led by David Harding, founded in 1997, Winton manages assets on behalf of some of the world's largest institutional investors – with $10 billion worth of assets in their trend-following strategies today.

Winton has remained at the forefront of markets, capitalizing on trends across various cycles and asset classes, using **highly sophisticated and automated systems to remove human emotions and forecasts from investment decisions.** The firm's trend-following strategy trades 'long' and 'short' in over 100 futures markets to deliver the full benefits of their strategy – such as its ability to make money in up and down markets and provide a powerful source of diversification to equities and bonds. **In 2022, Winton's Trend Fund delivered returns of +18%,** when equity and bonds were down -16% and -18%, respectively.

Since its inception, Winton's flagship strategy has delivered outperformance over traditional equities and bonds in both absolute and risk-adjusted terms, with a **correlation of close to zero and long-term performance of around 10% p.a.**

40 years
Experience trading markets

$10 billion
AUM in trend-following

Trend following
strategy

Near-zero correlation

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

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