



# FAM Millennium Equity Strategy

31 January 2025

## 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.



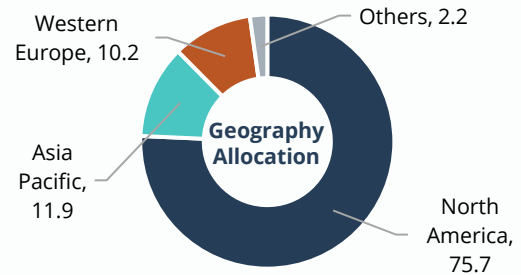
Invest Globally  
**No benchmark hugging**  
Maximize returns



Capital Appreciation  
**compounded at 8%**  
target return over longer term

**FVT**

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



Others include Central Asia, Africa/Middle East, South & Central America, and Eastern Europe.

## 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)

	EM	Asia	EM	EM	EM	Europe	EM	Japan	EM	EM
Best	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
Worst	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
Best	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
Worst	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	2024	2023	2022	2021	2020	2019	
A SGD	2.66	2.66	0.03	-2.41	-21.26	-	-	-	-
A USD	2.84	2.84	2.02	-0.55	-20.24	-	-	-	-
Composite <sup>1</sup>	2.84	2.84	2.02	-0.55	-20.24	9.36	23.37	24.61	39.91

<sup>1</sup>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:

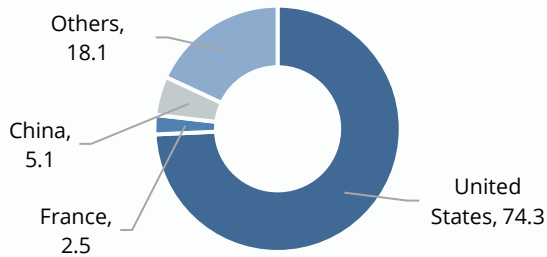


Principles for Responsible Investment

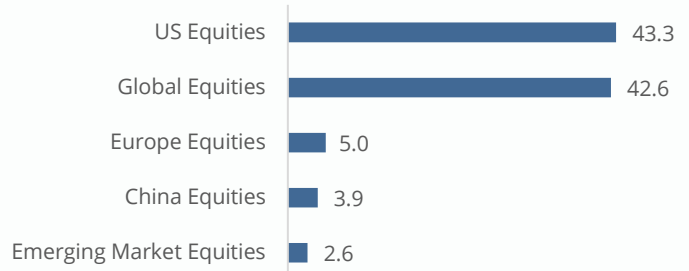


## Strategy Characteristics

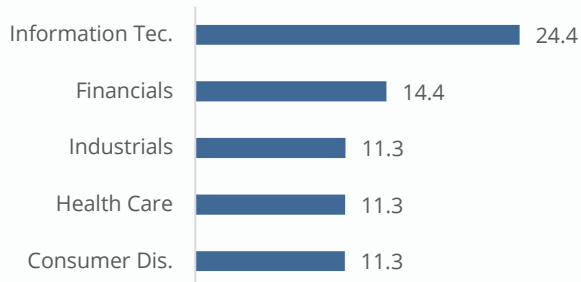
### Country Allocation, %



### 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).

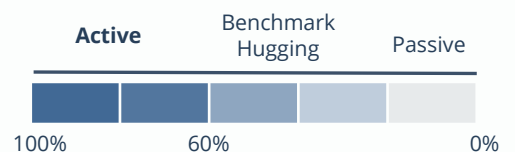
## High Level of Active Management

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



Finexis Asset Management

## Market & Portfolio Developments

### Commentary

Following a challenging December 2024, January was kind to most major asset classes with equities leading the gains. **Amid this backdrop, FME delivered strong gains of 2.8% over the past month.**

A solid equity performance in January is supportive of sentiment as implied by the January barometer. For those who believe in statistics, the January barometer (“as goes January, so goes the year”) predicts that if stock markets rise in January, it is likely to continue to rise higher through the year. When this signal was positive in the first year of a US Presidential cycle, the S&P 500 was up c.90% of the time for the year with an average return of c.18%.

**While January’s performance is historically a positive indication of things to come, investors should not just invest blindly based on a single data point and assume smooth sailing ahead.**

The release of a new AI model by Chinese company DeepSeek caused anxiety among investors who had believed in the dominance of US mega-cap tech stocks such as the Magnificent 7 (M7). DeepSeek’s model matched the performance of US AI market leaders but at a fraction of the cost with less powerful chips – challenging many assumptions on AI Capex and the associated return that drove the M7 bull market over the past few years. With the long-term impact of DeepSeek’s development still uncertain, we have been diversifying from the M7 (and the S&P 500) to enhance the portfolio’s risk-adjusted return.

Investors also need to grapple with the implications of Tariffs going forward. US President Donald Trump’s recent actions to Tariff Canada, Mexico, and China officially marked the start of Tariff 2.0. It is also a matter of time before Europe, and other countries face similar threats; adding a layer of unpredictability to markets going forward. Yet there are reasons for optimism. Statistics aside, financial markets can continue to grind higher if tariffs remain measured and global growth stays resilient.

Under Trump, markets are more prone to quick reversals with every news headline, and more than ever it is important not to invest emotionally without a proper investment strategy and process in place. We’ve been agile in navigating today’s fluid landscape; such as by lightening our tech exposures out of prudence as we gain clarity on DeepSeek’s implication of the AI trajectory in the US. Moving forward, we will continue to dynamically adjust our allocations as the risk events and tariff negotiations evolve.

## 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 <sup>1</sup>	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

<sup>1</sup>Please 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.

Signatory of:



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