FAM Millennium Equity Strategy

28 February 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.

100% Equity

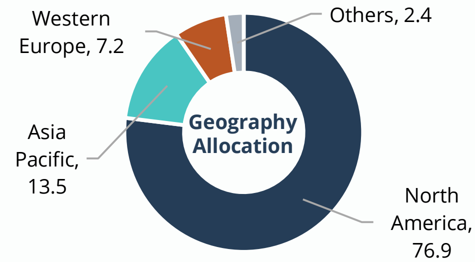
Invest Globally
No benchmark hugging
Maximize returns

≥8%

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)

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

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)

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

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.

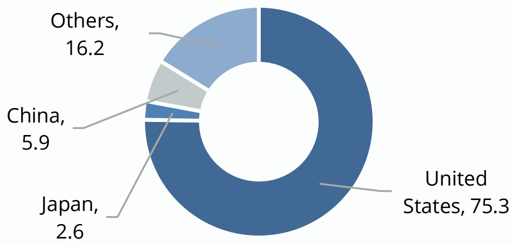
Historical Performance

Calendar Return, %									**Total Returns, %**
Class	1Month	YTD	2024	2023	2022	2021	2020	2019	2019 - YTD
A SGD	-2.25	0.35	0.03	-2.41	-21.26	-	-	-	-
A USD	-2.14	0.64	2.02	-0.55	-20.24	-	-	-	-
Composite[1]	-2.14	0.64	2.02	-0.55	-20.24	9.36	23.37	24.61	36.92

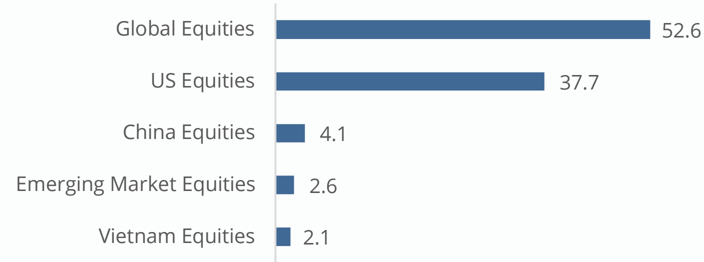
[1]Calculated from 1/8/2018 using a similarly managed composite portfolio fully invested net of estimated fees. Performance since 1/7/2021 is based on actual fund performance. Past performance is not an indication of future performance. The value of the investment can go down as well as up and is not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

Strategy Characteristics

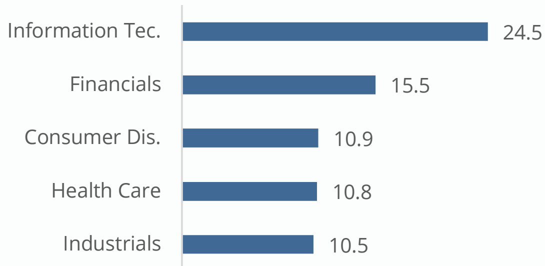
Country Allocation, %



Top 5 Market Allocation, %



Top 5 Equity Sector Allocation, %



Top 5 Fund Holdings, %

ISHARES MSCI ACWI ETF	29.1
ISHARES Core MSCI World	23.5
AM S&P 500 II ETF	17.8
VanEck Morningstar Wide Moat ETF	5.1
PACER US Cash Cow 100 ETF	5.0

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.

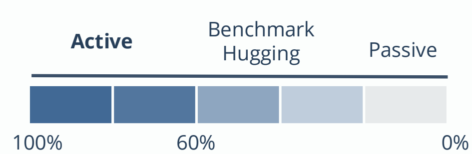
Trend — Seek inflection points in **sustainable trends** to capture overlooked opportunities and avoid less recognised risks (such as the end of a bond supercycle).

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: PRI Principles for Responsible Investment

Finexis Asset Management

Market & Portfolio Developments

Commentary

After a steady start to the year, supported by a resilient economy and strong corporate earnings, sentiment took a sharp downturn in February, leading to global equity declines. Notably, it was the popular S&P 500 and NASDAQ markets that led the way down.

This was on the back of US president Trump's escalating tariff threats, coupled with reports which showed declining business and consumer optimism amid the uncertain backdrop.

The past month is a timely reminder of how quickly sentiment can shift in an environment dominated by changing macroeconomic narratives under Trump 2.0 and with broad equity markets facing high valuations. While these factors have undoubtedly rattled markets, they also highlight the importance of staying focused on the bigger picture and longer-term view: that the US equity bull market is likely intact (for now) with the fundamental earnings backdrop remaining supportive, and Trump's pro-growth policies expected to be progressively delivered.

Of course, we also do not ignore the building near-term risks and we are paying close attention to each economic data point to guide our lookout and positioning going forward.

With markets expecting to remain volatile in the coming days and weeks, we are comforted that we are positioned in segments with higher quality and better valuations. Indeed, the portfolio's US Alpha basket (which has historically outperformed the S&P 500 over the long term) has been more resilient during this period of market volatility. We are also on the lookout for international opportunities that may present themselves amid the volatility, such as across select Emerging Market segments such as China and India.

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

[1]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.

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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