

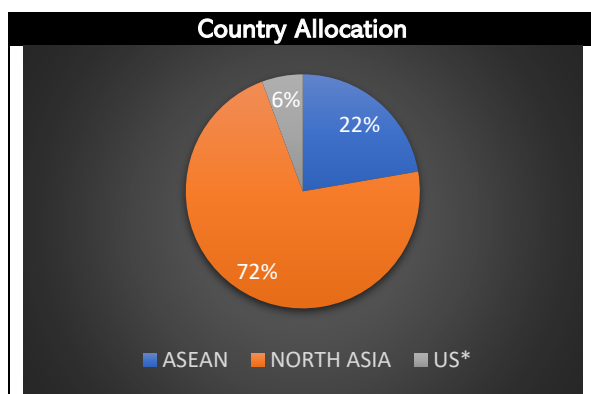
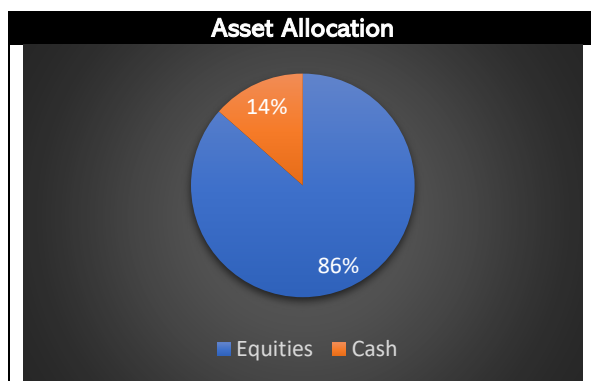
Fortress ACM 325 Fund -1

OCTOBER 2023

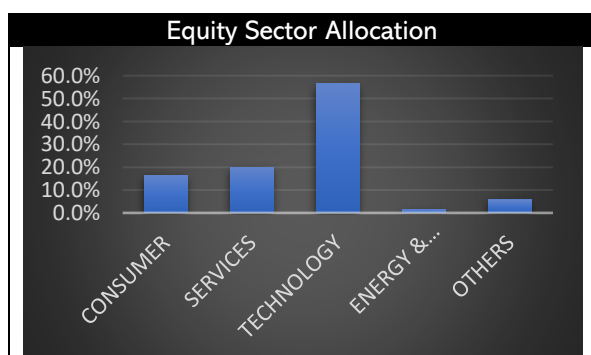
Performance (%)	NAV per Unit as at 31 ST OCT 2023	1-mth	3-mth	YTD	Since inception*
Fortress ACM 325 Fund - 1	RM 0.7962	(5.7%)	(9.7%)	(4.8%)	(20.4%)
Performance of Global Indices (as a reference only)					
MSCI World		(3.0%)	(9.6%)	6.4%	4.8%
MSCI AP ex Japan		(4.1%)	(12.9%)	(6.7%)	(26.6%)
FBMKLCI		1.3%	(1.2%)	(3.6%)	(11.6%)
HSI		(3.9%)	(14.8%)	(13.5%)	(34.9%)
CSI300		(3.2%)	(11.0%)	(7.7%)	(28.7%)
S&P 500		(2.2%)	(8.6%)	9.2%	13.3%
Nasdaq		(2.8%)	(10.4%)	22.8%	2.1%

Source: Bloomberg/ Investing.com;

*Fund Commencement Date: 8th December 2020



*Include ETF of various strategies



THE SEARCH FOR PEAK RATE CONTINUES...

Market weakness extended to a third month as both market and geopolitical risks heightened dramatically in October. During the month, the unknown consequences of the war in Gaza and the Fed's decision constituted the biggest challenges for the investors. Global fund managers continued to de-risk with a vengeance by selling-off across both fixed income as well as equity market. Emerging markets, especially Asia, have witnessed most of the outflows. As such, the USD continued to strengthen across all EM currencies; MYR hit a low of RM4.78,

The Fortress ACM 325 Fund – 1 (Fund) underperformed the broader indexes as one of the major holdings, Kuaishou (1024.hk) was sold off aggressively (-25%) in October due to an unfounded rumour of its major shareholder, Tencent paring down its stake. Overall investor sentiment on Chinese equities is still fragile despite China's economy growing by a faster than expected 4.9% in 3Q; with retail sales and industrial production both beating consensus estimates. In addition, the Chinese government's action to prop up the USD9.4 trillion market through its sovereign wealth fund had shown little effect as selling by foreign funds rose to a crescendo in October - they sold a total of USD23.5bn through the Stock Connect Scheme.

US market indexes continued to hold up well by the 'Magnificent 7' – Apple, Microsoft, Alphabet, Amazon, Meta Platform, Nvidia and Tesla; even though the Russell 2000 index hit a 3-year low. China's slow down as well as the national pride in Huawei's new phone is finally affecting Apple's new iPhone 15 sales in China. It will be interesting to see if this remains a long-term trend or just a blip?

FUND APPROACH

As at end October 2023, our Fund position breakdown is outlined below:

	Dec 23	Nov 23	Oct 23	Sept 23	Aug 23	July 23
Top 5			64.1%	62.2%	55.6%	61.8%
From 6 to 10			18.7%	20.6%	18.6%	22.4%
Others			3.7%	10.5%	7.5%	5.5%
Cash			13.5%	6.7%	18.3%	10.3%
Total No of position			13	15	15	15

	June 23	May 23	April 23	March 23	Feb 23	Jan 23
Top 5	62.8%	58.3%	59.2%	63.2%	56.5%	54.9%
From 6 to 10	21.2%	18.2%	18.2%	23.1%	26.2%	24.3%
Others	10.9%	5.7%	11.6%	8.0%	6.9%	13.8%
Cash	5.1%	17.9%	11.0%	5.7%	10.4%	7.0%
Total No of position	16	14	18	15	14	21

The Fund exited its position in Xiaomi and Yinson; and trimmed position size in RAMSSOL after the strong run since taking the placement last month. As the fund maturity date approaches, we continue in net liquidation mode and only took some tactical positions. We realigned some positions in Hong Kong/China, given the recent heavy selling and added Tencent, Meituan, Baidu and Kuaishou. The heavy selling in Kuaishou (~25% since Mid Oct to HKD50) was largely due to the unfounded rumour that Tencent will be paring its stake amid the already soft sentiment. Kuaishou stock price has recovered some 17% from the recent low as Tencent denied the rumour.

After 3 months of continuous selling (longest selling streak on record), we are starting to see foreign investors tip toeing back into the China market in November. Foreign funds added a total of USD2.1bn over 3 sessions from 5-7 November (Compared to outflow of USD23.5bn over the last three months). According to Morgan Stanley, global long only funds is currently maintaining the most underweighted position in Hong Kong and Mainland China stocks since 2018 despite increasing evidence of stabilization in the Chinese economy. Against such a backdrop, we feel this is potentially the worst time to liquidate the assets of the fund.

While the fund maturity date is on 8th December 2023, the Manager has the option to complete the liquidation of the Fund up until 8th March 2024, in accordance with the Fund's Info Memo. Historically, January is a period where equity return is more favourable and we believe this could potentially provide us with a better opportunity to realize higher prices.

A few key points to highlight:

1. The Information Memorandum allows the Manager discretion to complete the liquidation within 3 months (until 8th March 2024) after the maturity date. Once the liquidation of the Fund is completed, the proceeds will be remitted to all Unit Holders within 14 days from the date of full liquidation of the Fund.
2. During the liquidation period, NO management fee will be charged by the Manager.
3. There is no action required by Unit Holders at this point, as this is the maturity of the Fund. The Manager shall notify all Unit Holders the NAV per Unit at which the maturity proceeds will be calculated once the Fund is fully liquidated.

Month-on-Month Performance

	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	NAV % Chg												0.9960 (0.40%)	(0.40%)
2021	NAV % Chg	0.9639 (3.22%)	1.0181 5.62%	1.0515 3.28%	1.0512 (0.03%)	1.0445 (0.64%)	1.0674 2.19%	0.9909 (7.17%)	1.0116 2.09%	0.9974 (1.40%)	1.0034 0.60%	0.9545 (4.87%)	0.9359 (1.95%)	(6.03%)
2022	NAV % Chg	0.9015 (3.68%)	0.8929 (0.96%)	0.8916 (0.15%)	0.8790 (1.41%)	0.8614 (2.0%)	0.8909 3.43%	0.8630 (3.13%)	0.8734 1.21%	0.7880 (9.78%)	0.7386 (6.27%)	0.8227 11.38%	0.8364 1.67%	(10.63%)
2023	NAV % Chg	0.9278 10.92%	0.8384 (9.64%)	0.8698 3.75%	0.8013 (7.88%)	0.7788 (2.81%)	0.8027 3.07%	0.8812 9.78%	0.8516 (3.36%)	0.8844 (0.89%)	0.7962 (5.67%)			(4.81%)

Fund Details*	
Tenure and maturity of the Fund	The Fund will mature on the third (3rd) year anniversary from the Commencement Date
Management Fee	Monthly Management Fee = (No. of Units held X 1.5% X RM1.0000)/12.
Fund Category and Investible Assets	Mixed Asset (including but not limited to listed equities, fixed income securities, government bonds, listed derivatives, listed collective investment schemes)
Valuation Frequency and Reporting	Monthly
Penalty Charge	8% of the withdrawal amount
Early Liquidation	If Fund achieves 50% (net basis) over and above the Offer Price during the 3-year period

*For more information, please refer to the Fund Information Memorandum, First and Second Supplementary Information Memorandum.

Disclaimer

This document is prepared for informational purposes only. This document shall under no circumstances be construed as an offer to sell nor shall it be taken as a form of professional advice of any manner. The performance of the fund is not guaranteed, and the value of investment and their derived income may increase or decrease. Past performance is not a guide to future or likely performance. Before investing into the fund, you should consider whether this fund meets your investment objective and risk appetite. Although the information in this document was compiled with due care and from reliable sources, FCAM does not guarantee its accuracy, completeness, correctness, or timeliness for any particular purpose. FCAM reserves the right to change any information without giving any notice.

Investors are advised to read the Information Memorandum together with the First and Second Supplementary Information Memorandum of the Fortress ACM 325 Fund - 1 and obtain professional advice before subscribing to the Fund.

Units of the Fortress ACM 325 Fund -1 can only be sold to Sophisticated Investors.