

# Ox Capital Dynamic Emerging Markets Fund

ARSN 649 969 264 | APIR HOW6479AU



Experience | Discipline | Curiosity | Agility

## About the Fund

The Ox Capital Dynamic Emerging Markets Fund (the Fund) is a concentrated portfolio of high quality, undervalued, well-run companies in emerging markets, predominantly in Asia (ex-Japan). The Fund typically holds 30-50 stocks that are diversified across countries, sectors and thematic exposure.

The Fund can use downside protection strategies across the market and individual stocks to help protect the portfolio from market volatility.

## Why Emerging Markets?

Over 70% of global growth and 60% of the world's GDP comes from emerging markets. Yet it accounts for just 13% of the MSCI ACWI Index. This represents a significant investment opportunity for global investors who may be structurally under-exposed to emerging markets.

### Economic growth rates

Are higher than developed world economies – driven by urbanisation and demand for better quality goods and services by increasingly wealthier consumers.

### Emerging markets have come of age

Sophisticated, R&D-driven industries and consumer driven economies.

### Strong domestic companies are emerging as leaders

Typically consumer cyclical stocks, internet and tech, healthcare, and innovative financial services. Developed market multi-nationals may no longer be the best way to capitalise on the growth of these sectors.

## About Ox Capital

Founded in 2021, Ox Capital Management (OxCap) brings together a team of experienced emerging market investors led by Dr. Joseph Lai. Dr. Lai and fellow Principals Douglas Huey and Alan Zhang collectively have over 50 years' experience investing in Asian and emerging market equities.

OxCap's investment approach is to identify the immense positive changes taking place in Asia and other key emerging markets and to find companies that benefit from those trends that are trading at a discount to OxCap's assessment of intrinsic value.

*"I started Ox Capital Management with a mission to deliver stellar returns for our investors. I have had the privilege and responsibility to manage money for clients for over 17 years investing in emerging markets. I believe now more than ever that emerging markets are unusually undervalued."*

– Dr Joseph Lai,  
Founder and Chief Investment Officer

## Our Partner

Fidante forms long term alliances with talented investment teams to support and grow specialist investment management businesses. By providing a broad range of integrated services to OxCap, Fidante frees up the OxCap investment team to focus on what we do best: investing and managing assets.

## Fund Characteristics

**Investment objective:** The Fund aims to provide an absolute return and capital growth over the long term and outperform its benchmark after costs over rolling five year periods.

**Inception date:** 17 September 2021

**Minimum suggested timeframe:** 5 years

**Benchmark:** MSCI Emerging Markets Net Total Return Index (AUD) Unhedged

**Number of holdings:** Typically 30-50

**Currency hedging:** Unhedged

**Minimum initial investment:** \$10,000 or \$1,000 with Regular Savings Plan

**Management fee:** 1% per annum

**Performance fee:** 15% of the Fund's daily return above the Benchmark<sup>1</sup>

**Distribution frequency:** Annually

**Investment strategy:** Derivatives may be used to reduce or gain exposure to markets and securities. The Fund may short sell securities and markets where it believes that a security or market is overvalued or for hedging purposes.

## Why OxCap



### TEAM

Our diverse and successful team of emerging market investors have a strong alignment of interest and highly collaborative culture.



### EXPERIENCE

Our CIO and Portfolio Manager have been investing successfully in this space for nearly two decades.



### PROCESS

Our robust and proven investment process employs a distinctive combination of rigorous bottom up research overlaid with proprietary top-down macro quantitative models.



### MOAT

Macro Aggregate Overlay Tracker, our proprietary risk management model, is used to capture excess return and manage risks and stay one step ahead of the crowd.

## Asset Allocation

Asset class <sup>2</sup>	Min (%)	Max (%) <sup>3</sup>
Long securities	50	150 <sup>4</sup>
Short securities	0	50
Gross equity exposure	50	150
Net equity exposure	50	150 <sup>4</sup>
Cash <sup>5</sup>	0	50

## Want more information?

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Fidante Adviser Services | 1800 195 853 | [bdm@fidante.com.au](mailto:bdm@fidante.com.au) | [www.fidante.com.au](http://www.fidante.com.au)

<sup>1</sup> Daily return measured after fees, expenses, after adding back distributions paid.

<sup>2</sup> Equity exposure is the combination of long and short equity exposure, including derivatives.

<sup>3</sup> Includes use of leverage to increase exposure of the Fund to investment markets.

<sup>4</sup> Typical long securities and net equity exposure will not exceed 100%

<sup>5</sup> These ranges represent the effective cash exposure (after the cash cover for derivatives has been taken into account)

This material has been prepared by Ox Capital Management Pty Ltd ABN 60 648 887 914 AFSL 533828 (OxCap), the investment manager of Ox Capital Dynamic Emerging Markets Fund (Fund). Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and is the responsible entity and issuer of interests in the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at [www.fidante.com](http://www.fidante.com) should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not a reliable indicator of future performance. OxCap and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, OxCap and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the *Banking Act 1959* (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund is subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.