

A letter from our CIO

27 September 2021



DEAR POTENTIAL INVESTORS

Thank you for considering Ox Capital Management (OxCap) as your investment partner.

I have been investing for nearly two decades. I am most grateful for the trust afforded by our investors over the years. It is a privilege and a responsibility.

I am especially excited by the opportunities available in the emerging markets (EM). Emerging markets account for over 50% of world's population and GDP. Yet, their stock markets only make up 13% of the MSCI World Index. It is no secret that interest rates in developed markets (DM) have converged towards zero over the last 20 years, which has underpinned record growth in developed market asset prices, be it property, or bond and stock markets.

EM interest rates are nowhere near zero. A similar scenario to emerging asset prices may unfold as emerging economies develop and mature.

More importantly, we know there are many exciting investment themes in EM in years to come. Rapid economic development provides fertile ground for new industries. We are seeing new domestic industries born, with domestic champions in these industries gaining in maturity, sophistication, and capabilities. Given the large and growing populations they serve, quite a few will no doubt become global leaders in due course.

I set up OxCap with a mission to excel and deliver strong return for our investors. While we are a small team, collectively, we have 45 years of investment experience. The team has successfully navigated and prospered through multiple market cycles.

I believe in simplicity over complexity when it comes to investing. OxCap has a simple investment philosophy. We buy high quality businesses with strong ESG credentials at good prices. We endeavour to look for the champions of the future. We aim to hold our investments for the long term.

Our investment philosophy may sound generic. Make no mistake, to do this well requires experience, discipline, curiosity, and agility. The core values of OxCap.

We have a team of independent and curious thinkers to discover the hidden opportunities. We have the experience to cover regional and global markets and industries. We have the discipline to temper our greed when the market is intoxicated by exuberance and be bold when the market is gripped by excessive doom and gloom.

We have a quantitative tracking model that can give us the agility to protect your capital at key inflection points. The tracker draws in millions of data points on a monthly basis, and it gives us an unbiased and systematic dashboard of the developments in the key economies and markets. In the world filled with “fake news” and biased narratives, the model helps us to stay one step ahead of the crowd.

At OxCap, we remain committed to being a sensible and intelligent custodian of your capital.

I sincerely hope you will join us on this journey.

Kind regards,



Dr. Joseph Lai

Founder and Chief Investment Officer

Ox Capital Management

oxcapm.com



This material has been prepared by Ox Capital Management Pty Ltd (OxCap). OxCap is an Authorised Representative No. 001288156 of Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 and is in the process of seeking its own Australian financial services licence. This document does not relate to any financial or investment product or service and does not constitute or form part of any offer to sell, or any solicitation of any offer to subscribe or interests and the information provided is intended to be general in nature only. This should not form the basis of, or be relied upon for the purpose of, any investment decision. This document is not available to retail investors as defined under local laws. This document has been prepared without taking into account any person's objectives, financial situation or needs. Any person receiving the information in this document should consider the appropriateness of the information, in light of their own objectives, financial situation or needs before acting. This document is provided to you on the basis that it should not be relied upon for any purpose other than information and discussion. The document has not been independently verified. No reliance may be placed for any purpose on the document or its accuracy, fairness, correctness or completeness. Neither OxCap nor any of its related bodies corporates, associates and employees shall have any liability whatsoever (in negligence or otherwise) for any loss or damage as a result of reliance on this information.