

Ox Capital Dynamic Emerging Markets Fund

ARSN 649 969 264 | APIR HOW6479AU



Monthly Report July 2022

Performance	1 month %	3 months %	6 months %	1 year %	2 years % p.a.	Inception % p.a.
Fund Return (Net) ¹	-4.6	-2.2	-9.4	-	-	-18.2
MSCI Emerging Market Net Return Index AUD unhedged	-1.7	-4.7	-15.4	-	-	-15.9
Active Return	-2.9	2.5	6.0	-	-	-2.3

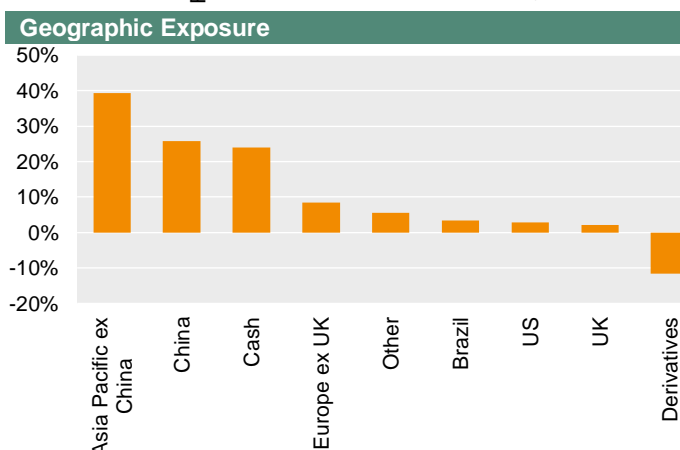
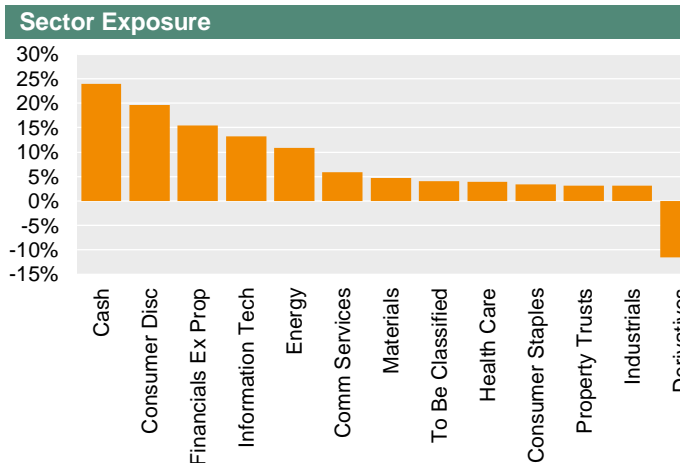
¹ The returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowances are made for tax when calculating these figures. Past performance is not a reliable indicator of future performance. The inception date for the fund is 20 September 2021.

Source: Fidante Partners Limited, 31 July 2022

Fund Facts	
Portfolio managers	Joseph Lai, Douglas Huey, Alan Zhang
Inception date	20 September 2021
Management fee	1.00% p.a.
Performance fee	15% of the Fund's daily return above the benchmark ²
Fund 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.
Initial investment	\$10,000
Minimum suggested timeframe	5 years
Buy/sell spread²	+0.25% / -0.25%
Fund FUM	AUD \$30.8 M
Distribution frequency	Annual

Top 10 Positions		
Company	Sector	%
HDFC Bank Ltd	Financials Ex Prop	4.30
Shell PLC	Energy	4.16
Vietnam Enterprise Investments Ltd	To Be Classified	4.10
Taiwan Semiconductor Manufacturing Co Ltd	Information Tech	4.08
Ping An Insurance Group Co of China Ltd	Financials Ex Prop	3.18
Reliance Industries Ltd	Energy	3.07
Samsung Electronics Co Ltd	Information Tech	3.05
Tencent Holdings Ltd	Comm Services	2.84
JD.com Inc	Consumer Disc	2.80
Zijin Mining Group Co Ltd	Materials	2.72
Total		34.30

Fund Features
Concentrated: A portfolio of 30-50 high quality, undervalued, well run companies that have the potential to generate high absolute returns over the medium to long term.
Capture growth: Ox Capital's investment approach is to identify the immense positive change taking place in Asia and other key emerging markets and to find companies that can benefit from those trends.
Macro overlay: A quantitative model provides a bird's eye view of how macro conditions impact equity markets and helps guide country and sector asset allocation.
Capital protection strategies: The Fund can use derivatives such as index futures and equity swaps to help protect the portfolio from market volatility and to obtain synthetic exposure to stocks or markets.
Experienced team: A team of experienced and passionate emerging market investors strongly aligned with clients' investment objectives.



Fund Performance

In July, the portfolio returned -4.6%, compared to the MSCI Emerging Market Index of -1.7%. This is attributed to rising concerns over China.

Our top performers are amongst some of the structural winners (Delivery Hero AG: 30.86%), India (HDFC Bank Ltd: 14.01%) and a newly established exposure, Norsk Hydro ASA (+18.07%). Detractors included exposures to China which were trimmed early in the month to await the Beidaihe meeting (Tencent Holdings Ltd: -13.68%; Country Garden Services Holdings Co Ltd: -32.38%; Alibaba: -16.76%).

The Fund exited hedges against semiconductors after they added 60 bps to performance and started positioning in some leading players (Taiwan Semiconductor Manufacturing Co Ltd: +6.12%).

At Ox Capital, the investment process remains selective and risks are being actively managed as we believe the world is dynamic and it is an opportune time to be a participant.

Market Commentary

As mentioned in our quarterly ([link](#)), China is transforming its growth model from one that is fuelled by heightening property prices and consumer debt to one driven by strong, technologically-advanced, industrial enterprise. The declining property sector does not surprise us and will unlikely cause the banking system to fail because price inflation is not persistently negative to cause impairments and China has a relatively closed capital account.

Figure 8: House price inflation

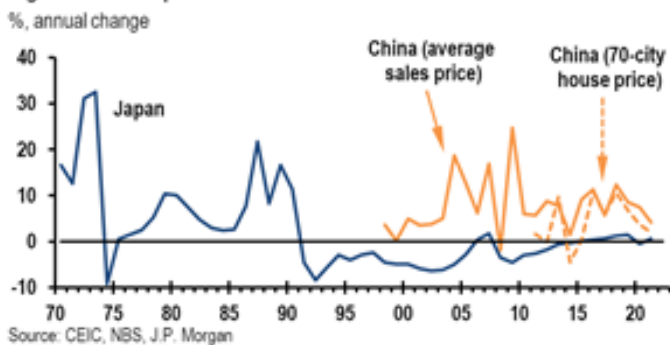
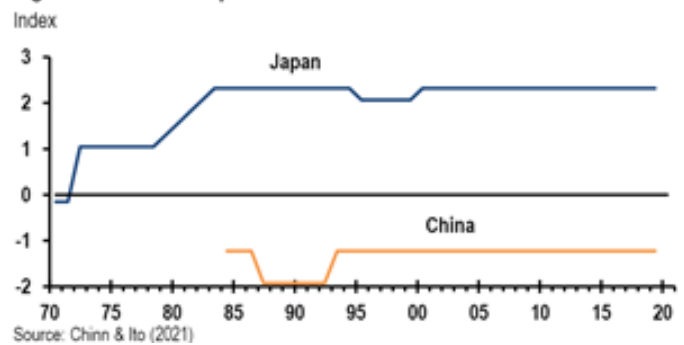


Figure 10: Financial Openness Index



Over in the US, though economic activities continue to plateau, inflation seems to have reached a peak as well, which is a marginally better situation than the "stagflation" economic condition promoted by the media. The slower rate hikes will also lead to a slower appreciation or declining in USD, which is beneficial to the emerging market.

The world is constantly changing fast and Ox Capital's selective investment process with risk discipline will be key to the long term outperformance.

For further information, please contact:

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This material has been prepared by Ox Capital Management ABN 60 648 887 914 AFSL 533828 (OxCapital), the investment manager of the Ox Capital Dynamic Emerging Markets Fund ARSN 649 969 264 (Fund). Fidante Partners Limited ABN 94 002 835 592 AFSL 234 668 (Fidante Partners) is a member of the Challenger Limited group of companies (Challenger Group) and is the responsible entity of 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 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. OxCapital and Fidante Partners have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, OxCapital and Fidante Partners 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 are 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.