

Ox Capital Dynamic Emerging Markets Fund

ARSN 649 969 264 | APIR HOW6479AU



Quarterly Report September 2025

Performance	1 month %	3 months %	1 year %	2 years % p.a.	3 years % p.a.	Inception % p.a.
Fund Return (Net) ¹	6.1	11.2	16.7	13.1	11.1	3.1
MSCI Emerging Market Net Return Index AUD unhedged	5.8	9.4	22.8	20.0	17.0	6.7
Active Return	0.3	1.8	-6.1	-6.9	-5.9	-3.6

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, 30 September 2025

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 \$54.7 M
Distribution frequency	Annual

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.

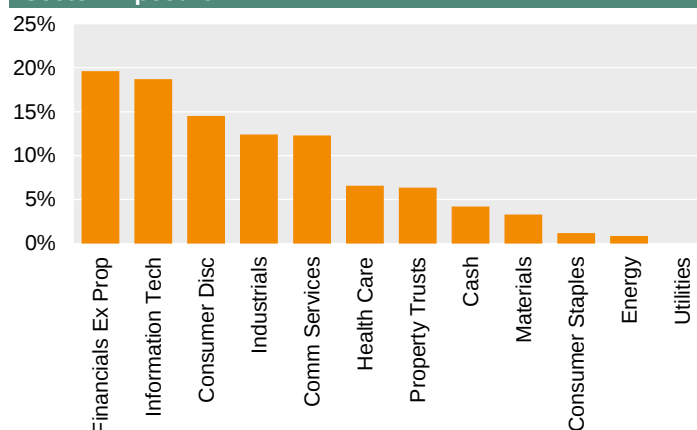
Capture growth: Ox Capital's investment approach is to identify the immense positive change taking place in Asia and other key emerging markets and to find companies that can benefit from those trends.

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.

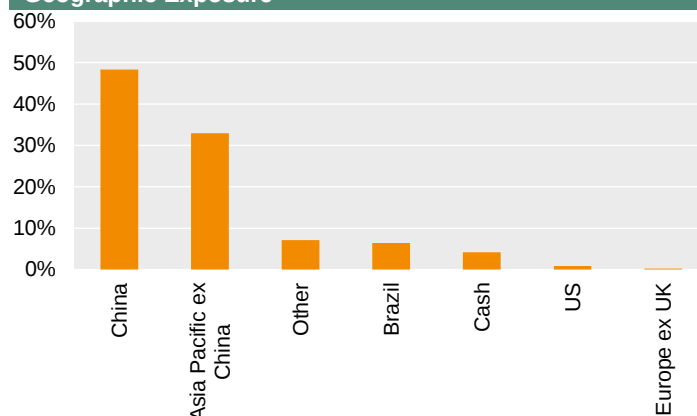
Capital protection strategies: The Fund can use derivatives such as index futures and equity swaps to help protect the portfolio from market volatility and to obtain synthetic exposure to stocks or markets.

Experienced team: A team of experienced and passionate emerging market investors strongly aligned with clients' investment objectives.

Sector Exposure



Geographic Exposure



Top 10 Positions – as at 30 September 2025

Company	Sector	%
Taiwan Semiconductor Manufacturing Co Ltd	Information Tech	6.80
Alibaba Group Holding Ltd	Consumer Disc	5.46
Tencent Holdings Ltd	Comm Services	5.25
Samsung Electronics Co Ltd	Information Tech	3.93
SK Hynix Inc	Information Tech	3.58
Contemporary Amperex Technology Co Ltd	Industrials	3.50
Vietnam Enterprise Investments Ltd	Financials Ex Prop	2.90
Banco BTG Pactual SA	Financials Ex Prop	2.85
Kuaishou Technology	Comm Services	2.62
Xiaomi Corp	Information Tech	2.59
Total		39.48

Fund Performance

In the third quarter of 2025, the Fund returned 11.23%, compared to 9.41% by the MSCI Asia ex Japan USD Index.

Top contributors are Chinese internet and industrial companies, both are gaining market shares globally (Tencent Holdings Ltd 31.81%; Alibaba Group Holding Ltd 61.20%; Contemporary Amperex Technology 31.30%). While the detractors a food delivery platform due to competition escalation, a smartphone brand due to short term memory price fluctuations and a financial in ASEAN. (Meituan -16.60%; Xiaomi Corp -9.92%; Bank Mandiri Persero Tbk PT -9.84%).

Market Commentary

China

- **Supply-Side Reform (“Anti-Involution”):** One significant development to observe is the government's increased emphasis on supply-side reform.
 - Historically, numerous upstream industries, including cement, steel, polysilicon, and others have operated under local government incentives aimed at boosting taxation and employment, which has often led to excess capacity.
 - Authorities are now implementing measures to eliminate inefficient capacity and limit new additions. Such actions have the potential to enhance profitability, especially within upstream sectors.
 - Initial indicators are positive: rising prices have been noted in a number of focused industries.
- **Macro:** China's export sector continues to demonstrate resilience, exhibiting steady growth despite ongoing United States tariffs.
 - Importantly, China has diversified its export destinations, reducing reliance on the US market through expansion into other global regions. Consequently, the trade surplus for 2025 to date has reached an unprecedented high.
 - New home sales volume has declined at a moderated rate of approximately 5% over the first eight months of the year. While the property market remains subdued, signs of stabilisation are evident. The government is proactively implementing measures to restore buyer confidence. In August and September, Beijing, Shanghai, and Shenzhen introduced supportive policies, such as relaxed home-purchase regulations and property tax exemptions for non-local individuals acquiring their first homes in Shanghai.
- **Geopolitical Developments:** The relationship between the United States and China has shown some signs of improvement earlier in Q3. Despite the recent increase in tensions since September, it is anticipated that both parties will ultimately seek compromise, given that prolonged discord is not in either nation's strategic interest.
 - In July, U.S. Secretary of State Marco Rubio met with Chinese Foreign Minister Wang Yi, resulting in a constructive diplomatic dialogue. Subsequently, the United States resumed ethane exports to China, lifted selected restrictions on

chip design exports, and authorized General Electric to recommence jet engine shipments.

- In August, both nations mutually agreed to extend their tariff truce for an additional 90 days.
- Notably, in late September, a bipartisan delegation from the U.S. Congress visited China, marking the first such visit in over six years.
- Nonetheless, tensions escalated in September as the United States imposed further export controls targeting additional sanctioned Chinese companies. In response, China expanded its controls on rare earth exports.
- Relations between China and India have also improved following an August meeting between Prime Minister Modi and President Xi. The two governments agreed to resume direct flights, and India's government think tank has put forward recommendations to ease investment restrictions on Chinese enterprises.

Indonesia and Vietnam

Indonesia's new Finance Minister has adopted a pro-growth approach to combat economic slowdown.

- The government injected IDR 200 trillion (US\$12.5 billion), about 2.6% of system deposits, into state-owned banks in September. This is its largest liquidity move since COVID-19. These funds cannot be used for government bonds, targeting real-economy support.
- Additionally, a plan to build three million homes could boost GDP growth by 2–2.5%.

Vietnam's economy continues to be strong.

- GDP grew strongly, up 8.2% year-on-year in Q3. September retail sales were up 11% year-on-year and FDI registrations increased 15% in the first nine months of 2025.
- Exports and imports rose 16.0% and 18.8% year-on-year respectively, while inflation remains low at 3.4% in September, allowing for further policy measures.

India

This year is anticipated to be a period of transition for India.

- Nominal GDP growth is forecast at 8.5%. While robust by global standards, this represents a moderation when compared to the nation's historical performance.
- Loan growth has decelerated. To maintain economic momentum, the Reserve Bank of India is projected to reduce its policy rate from 5.5% to 5.0% by March 2026, contingent upon inflation remaining below target levels.
- In September, the government introduced a significant simplification of the Goods and Services Tax (GST). This reform lowers GST rates from 28% to 18% for most goods and from 12% to 5% for essential items, while establishing a 40% tier for luxury and sin goods. The reduction in rates is expected to drive consumption by making the majority of goods more accessible to consumers.

Macro View

USD and Emerging Markets

The prospect of US monetary easing and a declining US dollar represents a pivotal shift for emerging market equities. Historically, periods of dollar weakness have coincided with strong EM equity performance, while dollar strength has typically weighed on returns. Notably, these cycles often persist for a decade or more.

A strong dollar poses challenges for EM economies, constraining central banks' policy flexibility and pressuring valuations. As the USD is the global reserve currency, emerging-market central banks often must defend their currencies with higher interest rates, even when domestic inflation is subdued, a dynamic that tends to suppress growth and asset prices.

From 2014 to February 2025, the USD Index appreciated 35%, the MSCI US Index rose 226%, and the MSCI Emerging Markets Index gained just 11%. This divergence underscores that faster economic growth does not automatically translate into stronger market returns. According to IMF data, emerging economies have consistently outgrown developed ones, yet their equity valuations have compressed, making them increasingly attractive.

The combination of US rate cuts and a weaker USD presents a potential inflection point for EM equities. As global liquidity rotates out of the US and into emerging markets, we expect to see meaningful rebounds in both valuations and economic activity. We continue to identify compelling opportunities, particularly in **China, Vietnam, and Indonesia** — markets where Ox Capital remains overweight and focused.

Portfolio Positioning

At the end of September, the portfolio remained well invested, with a net exposure of over 90%. It is **overweight**: China, Indonesia, and Vietnam, **underweight**: Taiwan, Korea, and India. We added exposure to Samsung and SK Hynix that are benefiting from rising memory prices thanks to AI demand.

The weaker USD in 2025 provides room for EM central banks to cut rates without defending their currencies — a clear tailwind for EM equities. The portfolio is concentrated in high-quality companies positioned to benefit from rising domestic consumption across Asia and other emerging markets. We believe that owning these strong businesses at attractive valuations will deliver robust long-term returns.

ASIC Periodic Reporting Requirements

The Ox Capital Dynamic Emerging Markets Fund (Fund) is classified as a hedge fund in accordance with the Australian Securities and Investments Commission Regulatory Guide 240 *Hedge funds: Improving disclosure*. We are required to provide this additional information to you on a quarterly basis.

Asset Allocation (as at 30 September 2025)

Exposure analysis	
Position	% of net invested capital
Long securities (including derivatives)	95.80
Cash	4.20
Gross equity exposure	95.80
Net equity exposure	95.80

Maturity profile

As at 30 September 2025, the Fund does not have any material liabilities.

Derivative counterparties engaged

The derivative counterparties engaged for the period 1 July 2025 to 30 September 2025 are provided in the table below.

Derivatives counterparty
UBS AG, Australia Branch

Liquidity profile

The table below demonstrates the liquidity profile of the Fund as at 30 September 2025.

In summary, 100% of the Fund's assets can be liquidated within 10 days.

Time to liquidate	% of assets
Within 1-10 days	100%
>10 to 21 days	100%
> 21 days	100%

Leverage

Ox Capital may use leverage to increase the exposure of the Fund to investment markets. Leverage will generally be obtained through the use of derivative instruments. Although the maximum allowable leverage permitted in the Fund is 150% of the Fund's NAV, the Fund's positions in long securities and derivatives and overall net equity exposure will generally not exceed 100% of the Fund's NAV. The Fund must provide collateral to secure its obligations under the relevant agreements.

As at 30 September 2025, the Fund is long exposure of 95.80% and short exposure of 0.00%. The gross equity exposure of the Fund is 95.80% and net equity exposure of the Fund is 95.80%.

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. 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.