

Ox Capital Dynamic Emerging Markets Fund

ARSN 649 969 264 | APIR HOW6479AU



Quarterly Report December 2025

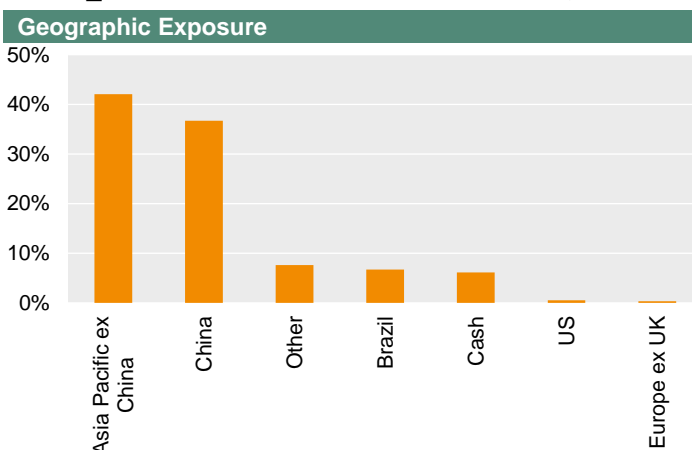
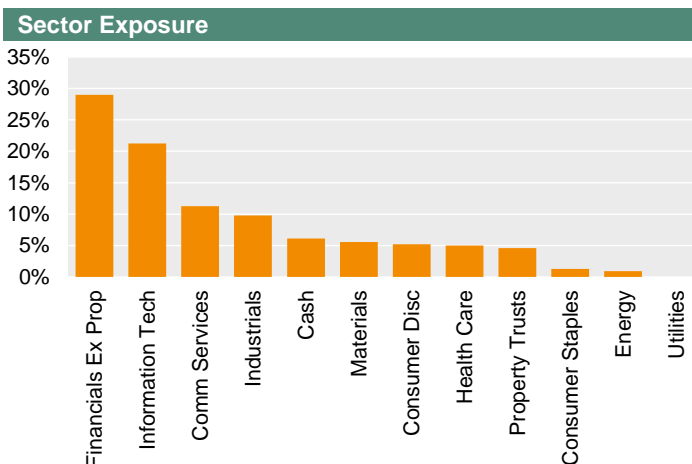
Performance	1 month %	3 months %	1 year %	2 years % p.a.	3 years % p.a.	Inception % p.a.
Fund Return (Net) ¹	0.5	-1.2	18.5	13.2	8.7	2.6
MSCI Emerging Market Net Return Index AUD unhedged	1.3	4.1	24.0	21.1	17.0	7.2
Active Return	-0.8	-5.3	-5.5	-8.0	-8.4	-4.6

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, 31 December 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 \$58.6 M
Distribution frequency	Annual

Top 10 Positions		
Company	Sector	%
Taiwan Semiconductor Manufacturing Co Ltd	Information Tech	7.26
Samsung Electronics Co Ltd	Information Tech	5.42
SK Hynix Inc	Information Tech	4.58
Tencent Holdings Ltd	Comm Services	4.12
Ping An Insurance Group Co of China Ltd	Financials Ex Prop	3.10
Contemporary Amperex Technology Co Ltd	Industrials	3.01
Bank Negara Indonesia Persero Tbk PT	Financials Ex Prop	2.99
Bank Mandiri Persero Tbk PT	Financials Ex Prop	2.97
Vietnam Enterprise Investments Ltd	Financials Ex Prop	2.87
Banco BTG Pactual SA	Financials Ex Prop	2.79
Total		39.11

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

2025 was a solid year in absolute terms for the Fund, which returned 18.5%, net of fees, for the year. This was despite a weak Q4 return of -1.2%; after strong performance early in the year, equities in China pulled back in the second half of the year in light of sluggish domestic economic activity.

Fund performance lagged the benchmark by -5.5% in 2025, primarily due to our underweight exposure to Korea. The Korean market returned ~80% in USD terms last year, driven by excitement towards value-up programs and active retail participation. Beyond 2025, the Korean economy is mature, and its structural growth outlook is not as bright relative to other countries in emerging markets (EM), in our opinion.

In 2025, many of our large holdings delivered strong performance (stock price as of December 31st, 2025, over cost):

1. TSMC (~40%)
2. Memory (~60-80%)
3. Vietnam (~40%)
4. BTG Pactual (~60%)
5. CATL (~50%)
6. Zijin Mining (~180%)

Amongst our larger positions, earnings sustainability was evident. Detractors included some of our small positions (typically under ~0.5% of the Fund).

Our country selection was also effective. While we were underweight Taiwan, our various semiconductor positions performed well, as seen above. The portfolio was overweight in China/Hong Kong, Vietnam, and Brazil. These countries performed well relative to the EM index. For some time, we have been cautious on India. Our valuation discipline paid off in 2025 when the Indian market sharply lagged the EM index as valuations remained rich.

All in all, our investment process worked well in 2025.

Portfolio Changes

In the fourth quarter, after the strong run in Chinese equities earlier in the year, we took profit and reduced our consumption exposure (Alibaba and BYD) in China.

An interesting development in the second half of 2025 was the strengthening of the renminbi (RMB) and the rising yield in China. The pullback in Chinese equities in the second half of 2025 created a supportive backdrop for stock picking activities. We anticipate there will be additional stimulus measures in the coming year. To this end, we built up our positions in life insurance companies such as Ping An and AIA.

Ping An is a leading integrated insurance and financial group in China. It has over 240m retail customers. Unlike some of its large domestic competitors, Ping An is a private enterprise with a commercial mindset. Ping An was the first domestic insurance company to undertake reform of its distribution model. These

reforms started in 2018, and it has taken Ping An almost six years to develop a productive salesforce with a customer-centric mindset. It has upskilled its salesforce well ahead of other domestic competitors. It has had great success in cross-selling. For instance, Ping An is also the top auto insurance brand in China. Its mid-term ambition is to grow to 400m retail customers. Each customer will have an average of five contracts, up from three in 2022.

Ping An is attractively valued at 7x P/E and trading at a discount to book value. It also offers a generous dividend yield of 5%. Ping An has been de-rated after a few years of weak profitability. Overall, the business environment bottomed in 2024. In 2025, sales of participating policies finally grew after declining over the past two to three years. Our view is the market underappreciates its growth outlook. There is a growing need for financial advice and its many savings products. Not to mention, Ping An has added to its equity exposure in 2025 and will benefit significantly from a rising long-term bond yield environment in China, as the economy improves in 2026.

Outside of China, we took advantage of weak sentiment and added to various stocks in the ASEAN region. One market where deep value has emerged is Thailand. The weakness of the domestic economy is well known. After the past few years of underperformance, many strong companies in Thailand are attractively valued. One such company is Central Pattana.

Central Pattana is the largest shopping mall developer and operator in Thailand. Its market share is three times larger than the second and third largest mall developers in the country. Its malls cater to better-off consumers. As a result, the business is well insulated despite weak consumer sentiment. It has 58 retail properties all over Thailand. Central Pattana is the port-of-call for any foreign brands entering Thailand. A new foreign brand will typically open its first location at the flagship mall of Central Pattana in Bangkok. If successful, the brand will then open more stores in other Central Pattana malls. The market position of Central Pattana is such that it gets to pick its tenants. By constantly upgrading from weaker-performing tenants, Central Pattana has handily outperformed other retailers. In the first half of 2025, Central Pattana reported positive same-store sales growth when other retailers had sales decline. In addition, Central Pattana has consistently been able to raise its rent upon renewal over the years.

Central Pattana has an ambitious investment pipeline. It plans to increase its retail floor space from 2.3m sqm to 2.8m sqm between 2024 and 2029. Factoring in rental revision, as well as its non-mall development pipeline in offices and residential, Central Pattana expects to deliver sales growth of 10% CAGR between 2025 and 2029. This is remarkable considering the sluggish domestic economy. It is trading at 13x P/E and offers dividend yield of over 4% in 2025. The stock has de-rated significantly - it used to trade at >30x P/E in years past when global investors were more optimistic on Thailand.

Commentary

The final quarter of 2025 was characterised by relative calm compared to the volatility seen earlier in the year. The primary headwinds of 2025, such as tariff disputes, concerns over AI-driven market exuberance, and geopolitical tensions in the Middle East have mostly subsided. By year-end, the market appears to have adjusted to these ongoing challenges.

In EM, and Asia in particular, optimism is rising as key economies demonstrate structural resilience.

At present, the key country overweights for the portfolio are Indonesia, Vietnam, and China. The Fund is underweight India and Taiwan. As we can see in the following table, stocks in China and Indonesia are attractively valued, with India and Taiwan valued at much higher multiples than other countries in Asia. China and Indonesia are also forecast to see a meaningful earnings acceleration in 2026.

MSCI AC Asia Pacific universe market valuations

	PE (x)		Earnings growth (%)		PB (x)		Dividend yield (%)		ROE (%)		Div payout (%)	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
AsiaPac ex-JP	17.7	15.0	8.3	18.8	2.1	1.9	2.2	2.4	11.6	12.5	39	36
Japan	17.4	16.0	3.8	7.0	1.7	1.6	2.1	2.3	9.6	10.7	39	38
Australia	20.2	19.1	(4.7)	7.6	2.5	2.4	3.5	3.5	11.0	11.2	69	67
China	14.0	12.4	4.7	13.7	1.6	1.4	2.1	2.3	11.6	12.0	28	27
Hong Kong	15.5	14.2	6.1	8.0	1.2	1.1	3.6	3.8	6.2	6.6	57	55
India	25.6	21.8	11.6	16.2	3.7	3.3	1.3	1.4	16.3	16.9	33	32
Indonesia	13.0	12.1	(3.1)	7.6	2.1	1.9	5.4	5.4	15.8	15.9	70	65
Korea	15.1	10.4	31.1	44.9	1.6	1.4	1.3	1.5	9.5	11.8	20	15
Malaysia	15.6	14.5	0.6	8.2	1.5	1.4	4.0	4.3	11.1	10.8	64	64
Philippines	10.9	10.1	7.2	8.7	1.6	1.4	3.3	3.5	15.2	15.0	35	35
Singapore	17.4	15.7	(1.5)	10.2	2.0	1.9	3.9	4.1	12.1	12.7	69	65
Taiwan	22.1	18.4	19.1	20.5	3.9	3.5	2.1	2.4	18.1	19.3	45	43
Thailand	16.1	15.3	11.1	2.0	1.6	1.5	3.7	3.9	11.0	10.8	58	59

Note: Based on MSCI index universe. Japan, India, years beginning 1 April. Australia, years ending 30 June. Source: FactSet, I/B/E/S, Jefferies

Importantly, Indonesia, Vietnam, and China are structurally advancing EM growth markets.

Indonesia: After a period of stagnation following the change of government in 2025, government spending has regained momentum. Under the new administration's growth-oriented mandate, bank lending and core economic indicators are beginning to show marked improvement, signalling a return to a more robust expansionary phase. We believe momentum in the economy will continue to pick up. The structural advantages of Indonesia are overlooked by most investors – a country with a large and young population which is resources rich, carry very little debt, and a government with an ambitious growth agenda.

Vietnam: Despite the threat of global tariffs, Vietnam's fundamental economic trajectory remains positive. The property market is recovering after a multi-year adjustment period, and the export sector remains a standout performer, bolstered by recent trade agreements with the United States. With its abundant labour force and established infrastructure, Vietnam remains an indispensable link in the global supply chain that is increasingly difficult for competitors to replicate. 2026 is also shaping up to be a defining year for Vietnam where the country is going to be elevated to emerging market status, from the frontier tier, in the FTSE EM index.

China: China continues its strategic transition from a construction-led growth model to one driven by high-tech manufacturing and innovation. China represents a steady economy with clear bright spots, and most of the risks have been dealt with.

Chinese exports have diversified. United States-bound exports now account for approximately 10% of China's total trade, down from 20% a decade ago. This gap has been filled by a dramatic increase in trade with ASEAN and the "Global South," facilitated by the offshoring of manufacturing and the long-term benefits of the Belt and Road Initiative.

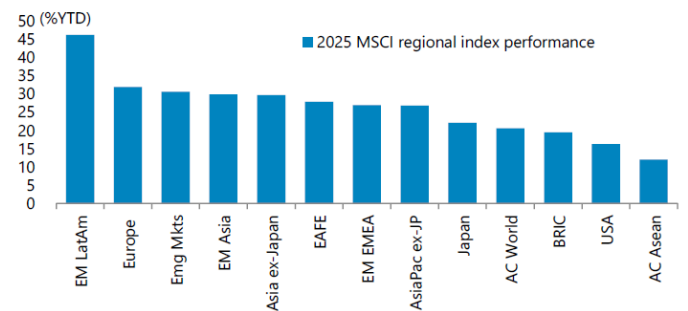
Investment in technology has propelled China into a technology juggernaut. China has moved from a fast follower to a global

leader in renewable energy (solar and wind), battery storage, and electric vehicles (EVs). While semiconductors remain a strategic vulnerability, significant strides are being made in self-sufficiency, particularly in manufacturing equipment for mature nodes.

The bulk of the property market adjustment has now occurred with no major disruption to the banking system. The fact is the most painful phase of the adjustment is behind us. Given the lethargy in the property market, Beijing has pivoted its policy towards supportive measures that aims to restore domestic sentiment. We expect more relaxation policies to follow.

In our view, we are getting closer and closer to the inflection point for EMs. Noticeably, emerging markets outperformed most developed markets in 2025.

MSCI regional index performance in US dollar terms (Year 2025)



Source: Datastream

Geopolitical developments early in 2026 strengthen our view that it behoves investors to reconsider their stance towards emerging markets and is deserved of greater investment exposure for investor.

The global geopolitical landscape appears to be evolving from a rules-based system toward a more transactional model based on relative bargaining power. Instead of firm alliances by countries, this is starting to lead to rational hedging behaviours. This is presenting opportunities for the Chinese economy to build new bridges.

A clear example of this shift is the recent EV agreement between China and the European Union. Rather than sticking to rigid, high-impact tariffs, the EU and China reached a compromise on minimum purchase prices. This ensures that the price premium benefits the manufacturers rather than customs offices, a pragmatic outcome that protects domestic industries while maintaining trade flows. This spirit of pragmatism is not unique to the EU, as Canada and South Korea both recently sought to reset relations with China.

It is thus important to watch the upcoming April 2026 summit in Beijing. After a prolonged period of geopolitical competition, the United States and China appear to begin recognising the mutual benefits of collaboration on certain issues. We expect the agreements reached there can potentially provide a more stable framework for superpower relations in the years ahead.

Outlook

Looking forward to 2026, emerging market equities are well positioned to benefit, supported by resilient economic growth and attractive valuations. Capital flows into these markets have been constrained by tight US monetary policy, but these constraints are now beginning to ease. The early stages of this shift became evident in 2025, with momentum expected to build further into 2026.

Beyond the fund-flow-to-EM angle, the Fund is leveraged to three specific themes:

- 1. The diffusion of AI technology:** we are entering the "diffusion phase" of the AI cycle. The significant capital expenditure on AI infrastructure over the past two years is now providing a fertile ground necessary for software and internet applications to scale. This will broaden the economic impact of AI and sustain high demand for semiconductors.
- 2. The rise of the renminbi:** the appreciation of the RMB is poised to become a central theme in 2026. Despite headlines of factory offshoring, China recorded a record trade massive surplus of ~USD\$1.2tn in 2025. This surplus is driven by China moving up the value chain toward technologically advanced exports and growth of exports to the Global South.

We believe the authorities may favour a stronger RMB for several strategic reasons:

- Trade mitigation: a stronger currency can naturally alleviate trade frictions by making exports less price competitive.
- Internationalisation: a steady, appreciating currency encourages global investors to hold RMB assets, reducing reliance on the USD.

- Domestic reflation: a stronger RMB increases domestic purchasing power for imports, aiding internal reflation and boosting Chinese consumer demand.

- 3. Monetary loosening and implications:** the ongoing global easing of monetary policy is expected to support further strength in selected commodities and renewed capital flows into emerging markets. Precious metals are benefiting from the debasement of major currencies driven by the prospect of continued money printing. Industrial metals like copper and aluminium are additionally supported by sustained investment in power grids, fuelled by the expansion of EVs and renewable energy, as well as ongoing spending on AI data centres.

We remain optimistic on the potential of the portfolio. The cheap valuation of great stocks and companies that we are identifying gives us confidence of prospective returns going forward.

At Ox Capital, we focus on identifying the secular champions in the key structural growth themes identified within emerging economies.

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 31 December 2025)

Exposure analysis	
Position	% of net invested capital
Long securities (including derivatives)	93.86
Cash	6.14
Gross equity exposure	93.86
Net equity exposure	93.86

Liquidity profile

The table below demonstrates the liquidity profile of the Fund as at 31 December 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%

Maturity profile

As at 31 December 2025, the Fund does not have any material liabilities.

Derivative counterparties engaged

The derivative counterparties engaged for the period 1 October 2025 to 31 December 2025 are provided in the table below.

Derivatives counterparty
UBS AG, Australia Branch

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 31 December 2025, the Fund is long exposure of 93.86% and short exposure of 0.00%. The gross equity exposure of the Fund is 93.86% and net equity exposure of the Fund is 93.86%.

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.