Warakirri Global Emerging Markets Fund
Quarterly Fund Profile
30 September 2021

INVESTMENT OVERVIEW

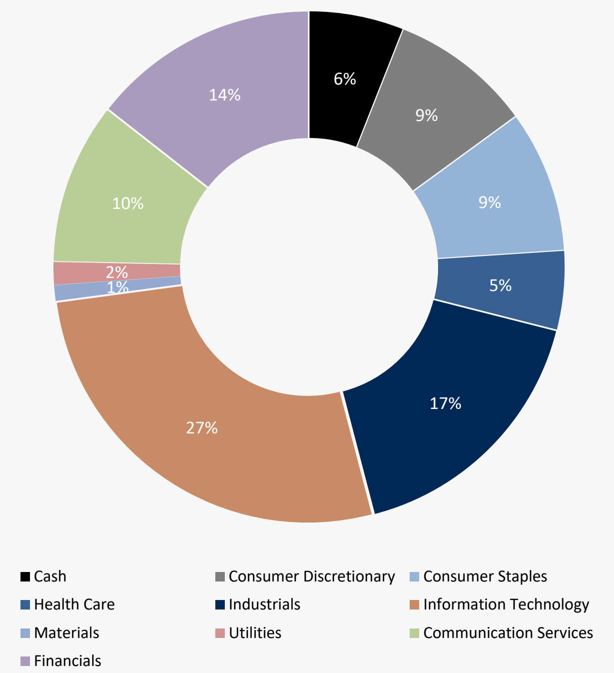
The Warakirri Global Emerging Markets Fund ("WGEMF" or the "Fund") offers investors access to a high conviction portfolio of 20-40 high quality global emerging market stocks diversified by geography, industry and size of market capitalisation. Warakirri has appointed the high calibre global emerging market equities team at Northcape Capital as the underlying manager of WGEMF.

PERFORMANCE SUMMARY – NET OF FEES

Performance Period	1 month	3 months	1 Year	Since Inception*
Net of Fees				
Fund	-4.1%	+1.5%	+11.2%	+11.5%
Benchmark	-2.8%	-4.5%	+17.3%	+14.7%
Relative Return	-1.3%	+6.0%	-6.1%	-3.2%

^ MSCI Emerging Markets Total Return Index in Australian Dollars
* Fund inception date was 22 July 2020.

INDUSTRY EXPOSURE



FUND SNAPSHOT

Key Information	
Investment Type	Long only, Global Emerging Markets Equities
Investment Style	Active
Benchmark	MSCI Emerging Markets Total Return Index in AUD
Investment Objective	Outperform benchmark over the long-term
Fund Size	$19,586,663
Currency	Unhedged
Distributions	Semi-Annually
Stocks Held	35

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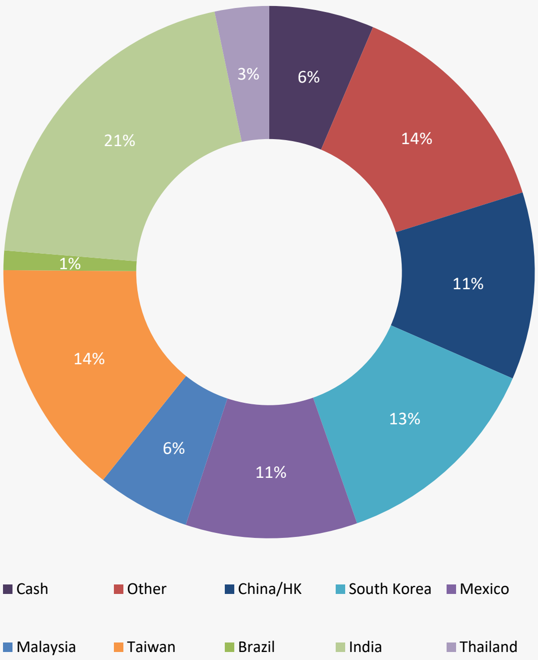
TOP 10 HOLDINGS

Security	Fund	Country	Sector
Techtronic Industries Co	8.5%	Hong Kong	Industrials
Taiwan Semiconductor Manufacturing Company	7.1%	Taiwan	Information Technology
Samsung Electronics Co	6.4%	South Korea	Information Technology
Maruti Suzuki India	5.4%	India	Consumer Discretionary
America Movil Sab De Cv	5.3%	Mexico	Communication Services
Tata Consultancy	5.2%	India	Information Technology
Hdfc Bank Ltd Adr	4.2%	India	Financials
Lg Household & Health	3.5%	South Korea	Consumer Staples
Mercadolibre	3.5%	United States	Consumer Discretionary
Top Glove Corp	3.2%	Malaysia	Health Care
Total	52.3%		

Portfolio holdings are subject to change.

GEOGRAPHIC EXPOSURE



PORTFOLIO ATTRIBUTION

Top five contributors to relative performance

Security Name	Sector	Return	Average Weight	Contribution
Techtronic Industries Co., Ltd.	*Industrials*	+19.2%	9.0%	+2.1%
Alibaba Group Holding Ltd *Not Held*	*Consumer Discretionary*	-33.0%	0.0%	+1.5%
America Movil SAB de CV	*Communication Services*	+24.0%	5.4%	+1.2%
Tata Consultancy Services Limited	*Information Technology*	+17.6%	5.0%	+0.9%
Tencent Holdings Ltd *Not Held*	*Communication Services*	-18.1%	0.0%	+0.7%

Top five detractors to relative performance

Security Name	Sector	Return	Average Weight	Contribution
Top Glove Corporation Bhd.	*Health Care*	-28.8%	5.0%	-1.2%
LG Household & Health Care	*Consumer Staples*	-24.3%	4.8%	-1.2%
SK hynix Inc	*Information Technology*	-20.1%	3.3%	-0.6%
Taiwan Semiconductor Manufacturing Co.	*Information Technology*	+1.7%	7.9%	-0.3%
Reliance Industries Ltd. *Not Held*	*Financials*	+24.2%	0.0%	-0.3%

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MARKET REVIEW

The MSCI Emerging Markets Total Return Net (Index) returned -4.5% during the September quarter, resulting in a +17.3% return over the last 12 months. September was the worst quarter since the so called "COVID-19 quarter" of March 2020.

The best performing sectors for the September quarter were Energy (+13.3%), Utilities (+11.7%) and Financials (+4.9%). The worst performing sectors were Communication Services (-11.9%), Real Estate (-12.5%) and Consumer Discretionary (-19. 9%).

Chart 1: MSCI Emerging Markets Total Return Net Index (Unhedged in AUD) Monthly and Cumulative Return

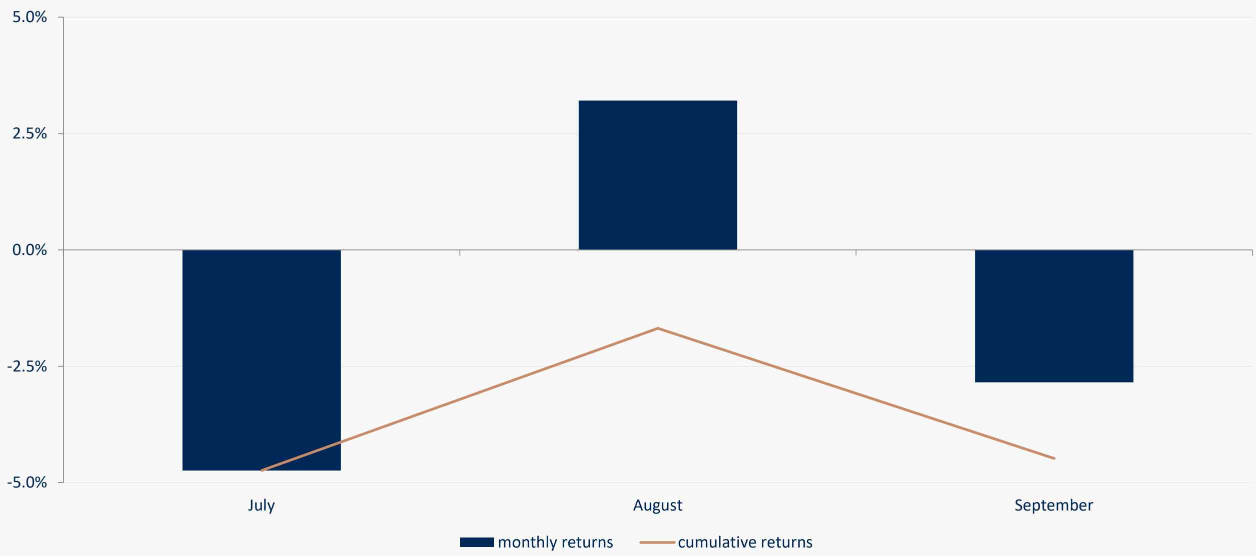
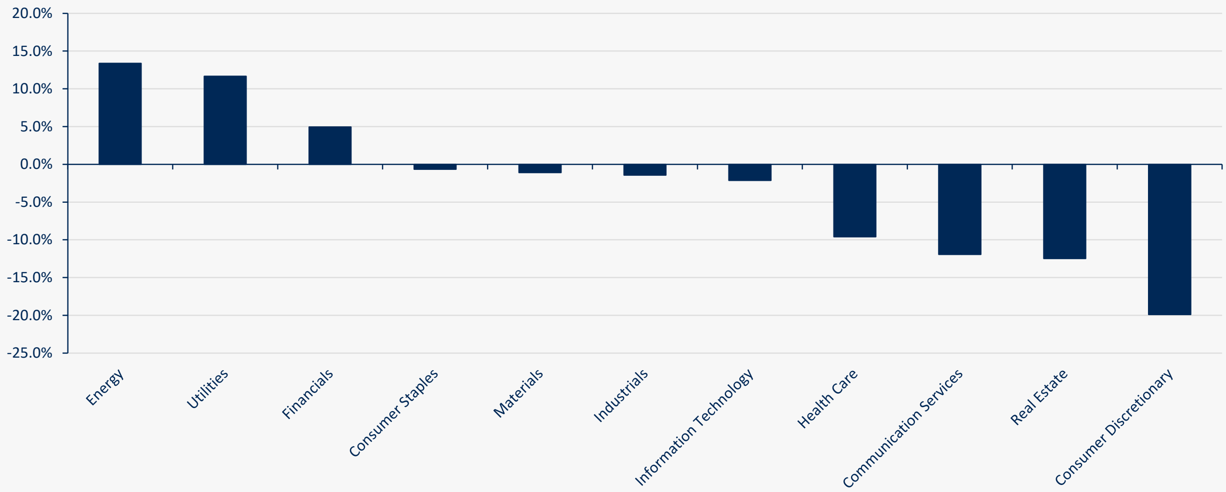


Chart 2: September Quarter Sector Total Returns



Warakirri
ASSET MANAGEMENT

MARKET REVIEW (Continued)

It's become a case of where do we start in listing the worries that have eroded investor sentiment over the past month? The main concerns of the Northcape Emerging Markets team are outlined below:

- Continued pressure on Chinese economy from the fallout of Evergrande's collapse – which we discuss in the next section
- Further announcements from China's government that restrict its leading platform internet companies
- Growing global energy crisis
- Ongoing shortage in semi-conductors
- COVID cases and weak vaccination levels in Southeast Asia (especially Vietnam) disrupting export supply chains
- Concerns of tighter monetary policy as inflation risks linger
- US approaching its debt ceiling, and associated concerns of government shuts downs

First, the weakest part of EM over the past month was related to the Evergrande collapse – China's largest property group. This, combined with restrictions on energy usage, have quickly morphed into a sharp reduction in China's growth perceptions. The China H share index fell another -5% over the past month and is now down -18.7% YTD – the weakest EM market by far in 2021. Bulk commodity prices that are linked to construction activity in China were also hit with iron ore price dropping -23% over September. This in turn had a negative impact on the equity markets of Brazil (-6.6%) and South Africa (-4.7%).

Second, the global energy crisis has had an impact on EM. The crisis reflects a range of factors colliding at present. On the demand side there has been an increased need for oil and natural gas as mobility restrictions are relaxed. Demand for natural gas has been further boosted by weather related factors (hot summer in China and prospects of cold winter in Europe), along with additional gas capacity being installed at the expense of coal – especially in China. Supply of these commodities has also been limited (with comments that Russia has been deliberately holding back oil and gas supplies to Europe) compounded by lack of strategic stockpiles (especially in natural gas due to lack of global storage capabilities). As such over September the natural gas price leapt +34% to US$5.75 btu (now up a staggering +128% YTD) and WTI crude rose 10% to US$75 bbl (+54% YTD).

Notwithstanding Paris Agreement commitments, some countries have also been forced to restart some coal power plants to meet surprisingly strong energy needs. This has manifested a sharp rally in thermal coal price (e.g., Newcastle 6000kcal/kg up 9% in September to US$188/ton and up +114% YTD). Accordingly, "fossil fuel" EMs were the relative out performers over September led by Russia and Colombia (+5%) with their oil and gas exports and Indonesia (+2%) with its thermal coal exports. Countries linked to China's activity and/or importers of energy were the underperformers: South Korea (-4%), Taiwan (-3%), Malaysia (-4%) and Thailand (-2%). Bucking the trend was India (+3%) as its economy continued to gain momentum after exiting COVID-19 lockdowns of May and June.

Rising energy prices and ongoing supply chain disruptions and shortage of labour have started to raise risks of inflation being more persistent than expected. This has led to a more hawkish commentary from the US Federal Reserve over September fuelling US dollar strength with the DXY index rising +2%. The EM currency index therefore was weak dropping -3% and is now down -5% YTD. The weakest EM currency was the Turkish Lira (TRY -6%) due to a surprise rate cut and the Brazilian Real (BRL -5%).

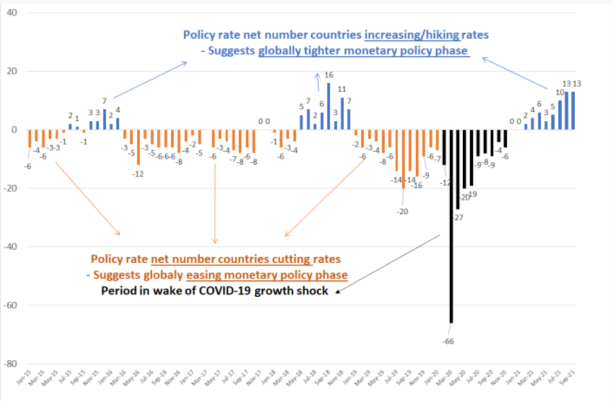
MARKET REVIEW (Continued)

Government and Central Bank Policy Response to COVID-19

After a dramatic period of policy rate cuts in 2020 (in the wake of COVID-19 growth shock), the pattern of countries raising rates in 2021 continues – see Chart 3. Over September there were fourteen countries that raised rates with one cut (Turkey -100bps to 18%).

Despite the rhetoric from some commentators about ongoing inflation risks, statements from central banks in advanced countries on balance continue to be more dovish than hawkish, although their patience is starting to be tested by more persistent inflation, which has led to the slightly more hawkish stance from of the central banks of the US, UK and EU. The recent resurgence in energy pricing is a factor that may give rise to higher inflationary expectations and needs to be watched. That said, sustained higher energy costs could also hurt growth and be a catalyst for lower inflation over the medium term. Moreover, as the global economy gradually exits COVID-19 restrictions with rising vaccination penetration, supply bottlenecks will dissipate thus placing downward pressure on pricing (the transitory inflation effect passing). Additionally, most COVID income support programs have largely expired in many countries over the past six months, which is seeing the fiscal stimulus pulse reduce.

Chart 3: Policy Rate Changed
(Net Number of Country Change = Hike- Cut



For EM, while the Northcape team is positive on the medium to long-term vaccination outlook, the short-term progress is still tracking well behind DMs. EMs on average have less than 30% of their populations fully vaccinated (many still less than 15%) versus UK (67%), Europe (65%) and US (56%). Therefore, many EM countries remain more exposed to yet another wave of COVID-19 under the latest variants over the next 12 months, thus potentially creating further disruptive lockdowns.

Accordingly, most EM central banks still feel they are not on the verge of a period of aggressive systemic monetary policy tightening. Moreover, many EMs base their home policy rates on the US level. It seems rate hikes are not anticipated from the FOMC until late 2022/early 2023 at the earliest even with the current high US inflation of 5%.

Recent policy rate increases (Brazil in particular) reflect partial normalising from the extremely low rates of 2020, and strong overshoot of inflation from COVID-19 supply restrictions. Looking forward we note activity levels in China have reduced (its PMI moved into contraction territory in September). This suggests China-linked commodity prices may well drop (we are seeing this in iron ore already) and when coupled with inevitable OPEC+ supply responses should see oil and gas prices ease as well. There are still persistent output gaps (excess labour), and rising vaccination levels will enable such idle labour to be re-employed (thus helping with de-bottlenecking). Taken in aggregate this indicates to us that inflation risks are very likely to subside over the next year.

FURTHER INFORMATION

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