

Emerging markets with clear growth opportunities

Why invest?


Northcape Capital focuses on analyzing emerging markets and pays special attention to countries that it believes have increasingly sophisticated markets and strongly developing economies. When selecting companies, Northcape prefers high-quality and resilient businesses with clear opportunities for growth. So you can expect deep insight into the emerging markets that contribute to a portfolio that seeks to outperform the benchmark.


Investment objective

To achieve long-term capital growth by investing primarily in a portfolio of equity securities of companies in emerging markets. Emerging markets describes economies that are between the stages of “developing” and “developed.” The emerging market phase occurs when economies see their most rapid growth – as well as the greatest volatility. Because these markets are in transition and are open to volatility, they offer opportunity to investors who are looking to add some risk to their portfolios.


Investment philosophy: using multiple managers to build high-conviction portfolios


Northcape Capital believes that five factors help lead to superior returns:

 **Fundamental research** – looking into companies’ business fundamentals (i.e. whether they have sustainable competitive advantages or a strong management team) as well as key numbers and economic indicators

 **Good judgement** when analyzing emerging markets and businesses with opportunities for growth

 **Strong risk management** to help achieve long-term capital growth

 **Long-term investors – not traders** – who have low turnover portfolios that take into account both bottom-up and top-down country analysis

 **A multi portfolio manager system** that allows experienced managers to act on their own work, unencumbered by a consensus-driven environment, and sees all accumulated knowledge and experience reflected in the total portfolio


NORTHCAPE
CAPITAL

Firm name:

Northcape Capital –
Pier 21 Asset Management

Risk rating:



Asset category:

International equity

Competitive advantages

- They have a singular and dedicated focus on investing in emerging equity markets
- Their proven multi-manager approach gives their portfolio managers the freedom to use their experience and judgement to make investment decisions individually – instead of by consensus. This encourages diverse thinking and knowledge-sharing, and gives clients access to the expertise of the whole team
- The team focuses on building a highly concentrated portfolio (usually 25-35 companies) that’s very different from the benchmark and other emerging marketing strategies
- The team realizes that emerging markets tend to have some volatility. That’s why they focus on developing a unique and highly-concentrated portfolio, to help provide downside protection. The portfolio also has a history of lower volatility, when compared to its benchmark

Pathways Emerging Markets Equity Fund

Meet the managers



Patrick Russel, B. Comm., Director, Portfolio Manager, Senior Analyst

Patrick joined Northcape in July 2008. Prior to this, he worked at Merrill Lynch for 18 years, where he was a Managing Director within the Global Emerging Markets research team, and was head of the Asia Pacific Telecom and Media research team. In this position, Patrick traveled extensively, reaching emerging market companies across Asia, Australia and the sub-continent. Patrick has completed post-graduate studies in Developing Country Economics and Investment Analysis.



Douglas Ayton, B.Ec, Portfolio Manager, Senior Analyst

Douglas joined Northcape in January 2014. Prior to this, he worked in the Hong Kong office at Lloyd George Management, where he was a Senior Portfolio Manager responsible for researching and executing equity investment decisions in the Asian region. Previously, he worked with Maple-Brown Abbott, where, in addition to being appointed as an Executive Director of the Company, he was responsible for portfolio management and research analysis in the Australian equity market. Douglas has completed post-graduate qualifications from the Chartered Financial Institute in the US, as well as the Financial Services Institute of Australia.



Ross Cameron, B.Comm., Head of Japan Office, Portfolio Manager, Senior Analyst

Ross joined Northcape in 2009, and is located in the firm's Tokyo office. Previously, he worked at Capital Partners (now CP2) as an analyst for the concentrated international equities fund, where he traveled throughout Emerging Asia, focusing on a broad range of sectors including financials, industrials and infrastructure. Prior to joining the investment industry, Ross taught Decision Analysis at the School of Operations Management and Econometrics at the University of Sydney, focusing on Bayesian statistics and probability distributions.



Tom Pidgeon, B.Sc., B.Eng., MBA, Portfolio Manager, Senior Analyst

Tom joined Northcape in 2011. He started his career in financial markets at Capital Partners (now CP2) before joining the Hong Kong-based PMA Investment Advisors. At PMA, he was responsible for managing the firm's Australian equity portfolio and providing equity research. Between May 2009 and September 2010, Tom and two colleagues initiated the boutique investment company Atrium Investment Management. Prior to becoming an equity analyst, he worked as a civil engineer in Australia, Indonesia, the Middle East and Europe.

The Northcape Capital story

Northcape Capital is a 100% privately employee-owned investment management company based in Australia with deep expertise in emerging markets. The Northcape team specializes in managing concentrated portfolios of listed equities for institutional clients. Operating out of offices in Sydney, Melbourne and Tokyo, Northcape manages about \$10 billion in assets on behalf of a range of institutional clients and high-net-worth individuals. The company takes a long-term approach to investing, relying on intensive fundamental research, good judgment, experience and strong risk management.

A description of the key features of the segregated fund policy is contained in the information folder. Any amount allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value. This fund is available through a segregated funds policy issued by Canada Life.