

Ophir High Conviction Fund



Figures as at 28 February 2025

Date of Issue 13 March 2025

ASX Code OPH

About The Fund

The Ophir High Conviction Fund (the Fund) seeks to provide investors with a concentrated exposure to a high quality portfolio of listed companies outside the S&P/ASX50. Employing an extensive investment process that combines a rigorous company visitation schedule and fundamental bottom-up analysis, the Fund aims to identify businesses operating within structural growth sectors with the ability to meaningfully grow and compound earnings over time. Typically, the majority of businesses within the portfolio will already have well established business models with large or growing end markets and a clearly identifiable pipeline of future growth opportunities. As a concentrated portfolio, the Fund seeks to identify the very best of these opportunities in order to ensure each portfolio position delivers a meaningful impact on overall portfolio returns.

ASX Code	Net Return Since Inception (p.a.)	Fund Size
OPH	+13.7%	\$748.5m

Ophir Asset Management

- Privately owned investment management business established by founders Andrew Mitchell and Steven Ng in 2012
- Fundamental bottom-up research approach combining rigorous company visitation and detailed propriety analysis
- Strict management of Fund capacity in order to protect performance
- Highly experienced investment team with extensive track record of high performance through all market cycles
- Complete alignment of interests, with Senior Portfolio Managers substantial investors in the Fund

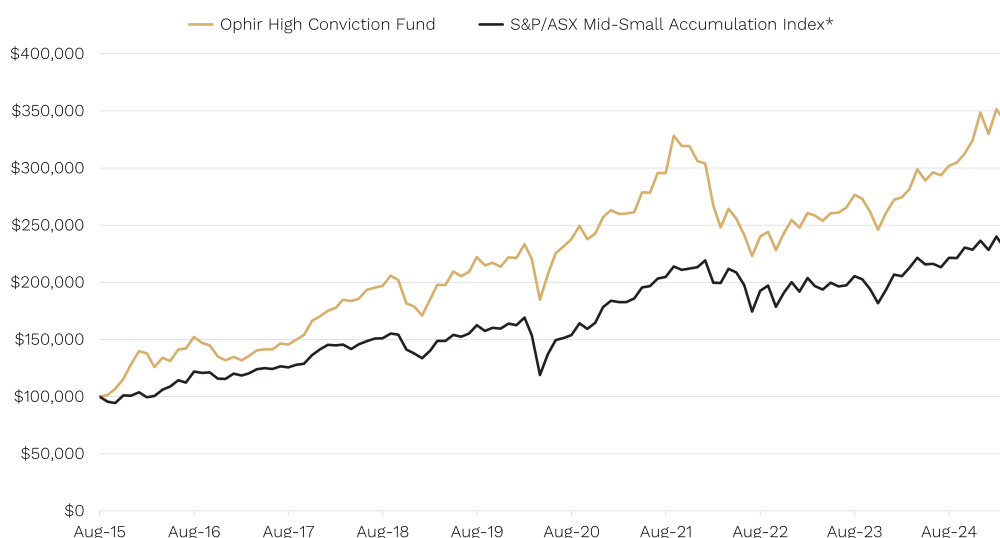


Chart represents net value of \$100,000 invested since inception and assumes distributions reinvested. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using NAV prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. *The Fund's benchmark is the S&P/ASX Mid-Small Index, being the composite benchmark of 50% of the S&P/ASX MidCap 50 Accumulation Index and 50% of the S&P/ASX Small Ordinaries Accumulation Index.

	Since Inception (p.a)	7 Years (p.a)	5 Years (p.a)	3 Years (p.a)	1 Year	3 Months	1 Month
Fund Return (Net)	13.7%	9.2%	9.2%	11.4%	21.7%	-1.7%	-2.5%
Benchmark*	9.1%	6.8%	8.5%	5.0%	8.6%	-2.3%	-3.7%
ASX: OPH Unit Price Return	N/A	N/A	11.3%	7.2%	38.1%	7.7%	5.6%

The figures in the table above assume reinvestment of distributions. Performance figures are calculated using the Net Asset Value (NAV) of the Fund as at 28 February 2025, not the market price. Past performance is not a reliable indicator of future performance. *ASX Mid-Small Accumulation Index (Net) (AUD), being the composite benchmark of 50% of the S&P/ASX MidCap 50 Accumulation Index and 50% of the S&P/ASX Small Ordinaries Accumulation Index.

Senior Portfolio Managers



Andrew Mitchell

B Ec (Hons), MAppFin | Founder and Portfolio Manager
20+ years experience in financial markets, previously Paradise Investment Management and Commonwealth Treasury Department.



Steven Ng

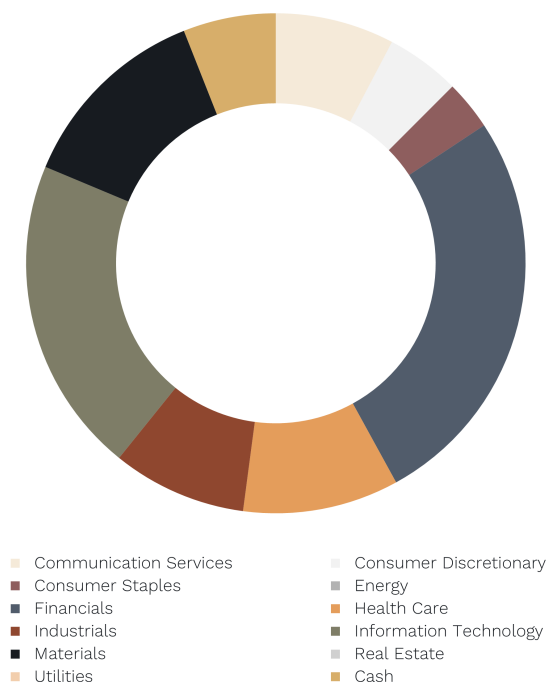
B Acc, CFA | Founder and Portfolio Manager
23+ years experience in financial markets, previously Paradise Investment Management and ING.

Key Information

Responsible Entity	The Trust Company (RE Services) Limited
Investment Manager	Ophir Asset Management Pty Ltd
Fund Inception	August 2015
Number of Stocks	20 - 40
Cash Distributions	Annually
Redemptions	Daily
Investment Objective	Outperform benchmark (after fees) over the long term (5+ years)

Allocation of Investments

Portfolio Sector Exposures



Top 5 Portfolio Holdings

(Alphabetical) As at 31 December 2024 (updated quarterly)

Company	Industry	ASX Code
Infratil Ltd	Financials	IFT
Life360 Inc	Software	360
Pinnacle Investment Management	Financials	PNI
ResMed Inc	Healthcare	RMD
Technology One	Software	TNE
Average Portfolio Market Cap		\$10.5bn

Net Asset Value (NAV & Unit Price)

As at 28 February 2025

	Amount
Unit Price	\$3.36
ASX Price	\$3.21

Market Commentary

February seems to be the month of the AI; French president Emmanuel Macron hosted a summit on AI, announcing private sector investments, SoftBank announced investment in a joint venture with OpenAI on a project-by-project basis, Microsoft unveiled its Majorana 1 chip, Nvidia quarterly earnings showed revenue rose by 78% (year on year) to \$39bn with strong demand for its Blackwell chips.

American and Chinese companies are still jostling for AI superiority; Apple announced it would invest \$500bn in a new factory making AI servers, while Alibaba said it will invest 380 billion yuan (equivalent to \$52bn USD) on AI and cloud over the next three years. For context, this is more than they have spent over the last 10 years.

Domestically, the Australian market ended the month lower, with both the ASX 200 and ASX Small Ordinaries contracting -3.6% and -2.7%, respectively. For ASX 300 sectors, Utilities (+3.3%) and Communications (+3.3%) were the strongest performers, while Technology (-12.3%) and Healthcare (-7.6%) detracted from the index.

Looking at the ASX Small Ords Index, Communications (+6.4%), and Material (-1.2%) were the best performing sectors, while Energy (-13.6%) and Healthcare (-6.9%) were the worst performing sectors.

Large cap growth underperformed value on a relative basis in Australia with the MSCI Australia Growth and Value Indices losing -3.8%, and -3.6% respectively. The dispersion was wider in small caps with the MSCI Australia Small Cap Growth Index retreating -4.4% versus the MSCI Australia Small Cap Value Index loss of -2.7%.

In policy news, the Australian Reserve Bank announced its first rate cut, reducing interest rates by 25 basis points from 4.35% to 4.1%. Meanwhile, Australian year-on-year CPI remained flat at 2.5%, and trimmed mean measure of inflation (the RBA's preferred measure) rose slightly from 2.7% to 2.8%. The unemployment rate was relatively flat, rising from 4.0% to 4.1%.

Portfolio Commentary

During February, the Ophir High Conviction Fund's investment portfolio returned -2.5% (net of fees) versus the index which returned -3.7%. Since its inception in August 2015, the Fund has returned +13.7% p.a. (net of fees) while the index has returned +9.1% p.a. The return of Ophir High Conviction Fund's ASX listing gained 5.6% for the month.

In terms of portfolio positioning, the number of holdings is stable at 36 and cash levels decreased to 6.0%. One of the largest contributors to performance for the month was Generation Development (ASX: GDG). Generation Development rose +14.9% during the month. GDG results during reporting season beat market expectations. GDG continues to be one of our top performing companies.

One of the largest detractors to performance for the month was Life360 (ASX: 360), down -7.9%. Over the month technology and growth sold off as consumer confidence in the U.S. fell. Life360 remains a top position in the fund, and we are confident in its long-term growth prospects. The company was one of our strongest performers in 2024.

Outlook

February was a challenging month for equities with growth and momentum factors retreating. The market was unforgiving during reporting season, penalizing many companies that met or slightly missed their guidance. Meanwhile U.S. central bank rhetoric remains sensitive to changes in market sentiment and economic data, signaling caution on further rate cuts.

Domestically, Australia's equity market benefited from the recent rate cut. Small cap companies continue to trade at a discount relative to large caps and provide a more attractive return profile for the equity risk premium compared to large caps.

Additionally, the Australian 10-year government bond yield is higher than the U.S. 10 Year Treasury, making Australian long term interest rates more attractive on a relative basis. If yields remain elevated, we may see capital flowing into our market from overseas to take advantage of the interest rate differential.

In early March, policy uncertainty from the new Trump administration continues to weigh on equity markets and has provided a stagflationary impulse to the U.S. economy. The longer this uncertainty remains, the more businesses and consumers are likely to sit on their hands, increasing the odds of a more material growth slowdown.

With tighter monetary policy still in play, we believe the positioning of the Fund is appropriate to current market conditions, while navigating this period of low forecasted economic growth.

The portfolio remains balanced, comprising a mix of cyclical and defensive growth companies. We continue to focus on businesses with resilient earnings.

Investment Process

Ophir employs a fundamental, bottom-up research approach aimed at identifying businesses with the ability to meaningfully grow and compound earnings over time. Typically, the investment process will look to uncover businesses that are operating within, or about to enter, a period of structural growth and are generating cash or have a clearly identifiable pathway toward free cash flow generation. In order to identify these opportunities, the Ophir investment team spend a considerable amount of time understanding the quality of the business and the environment in which it operates.

About Ophir Asset Management

Ophir Asset Management is a specialist small and mid-cap equities investment manager established by founders Andrew Mitchell and Steven Ng in 2012. The business currently manages approximately \$2.0bn in capital on behalf of institutional superannuation funds, family offices, private wealth groups and individual investors. The investment team comprises 11 investment professionals drawn from a diverse range of backgrounds working across all Ophir funds.

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