

# Ophir High Conviction Fund



Figures as at 31 May 2025  
Date of Issue 10 June 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	+14.1%	\$798.4m

## 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

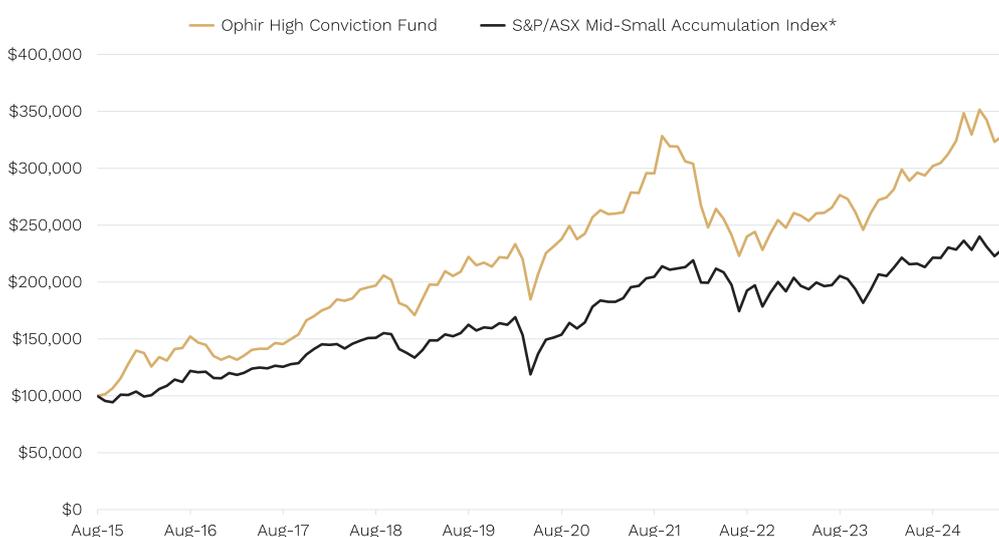


Chart represents net value of \$100,000 invested since inception and assumes distributions reinvested. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using NAV prices after taking into account all of Perpetual's ongoing fees and assuming 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
<b>Fund Return (Net)</b>	<b>14.1%</b>	<b>9.5%</b>	<b>10.1%</b>	<b>14.8%</b>	<b>23.4%</b>	<b>6.7%</b>	<b>11.4%</b>
Benchmark*	9.4%	7.2%	10.1%	7.0%	11.9%	4.7%	5.9%
ASX: OPH Unit Price Return	N/A	N/A	10.2%	7.7%	25.0%	-1.6%	11.3%

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 31 May 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.



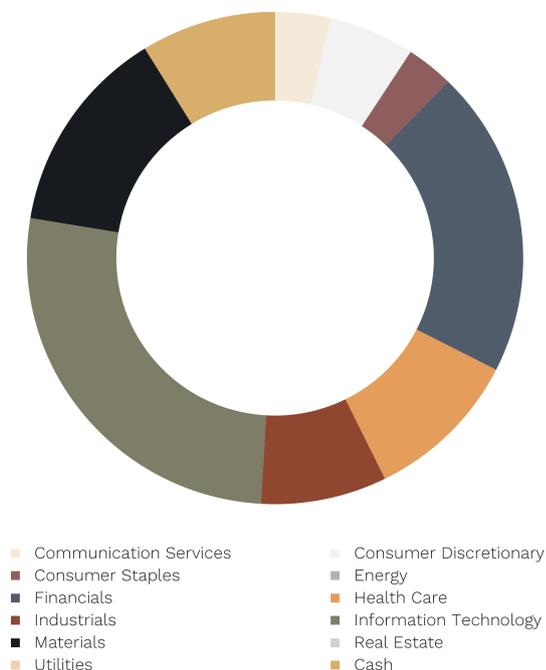
**Steven Ng**  
B Acc, CFA | Founder and Portfolio Manager  
23+ years experience in financial markets, previously Paradise Investment Management and ING.

## Key Information

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

## Allocation of Investments

### Portfolio Sector Exposures



## Top 5 Portfolio Holdings

(Alphabetical) As at 31 March 2025 (updated quarterly)

Company	Industry	ASX Code
Generation Development Group	Insurance	GDG
Genesis Minerals Ltd	Materials	GMD
Life360 Inc	Software	360
ResMed Inc	Healthcare	RMD
Technology One	Software	TNE
Average Portfolio Market Cap		\$9.1bn

## Net Asset Value (NAV & Unit Price)

As at 31 May 2025

	Amount
Unit Price	\$3.59
ASX Price	\$3.16

## Market Commentary

Markets rebounded this month on positive company results and a U.S./China trade truce, at least for the next 90 days. Nvidia reported stellar earnings, with revenue soaring +69% year-on-year to \$44.1 billion. Its net profit jumped +26%, which helped push the stock up +24.1% and the S&P 500 higher. Apple was the only Magnificent 7 stock to end down for the month (-5.5%) after President Trump threatened a 25% tariff if iPhones weren't entirely made in the U.S. The U.S. also saw a credit rating downgrade of Treasuries, but investors largely shrugged this off as more spending and debt appear likely from the U.S. government.

Australian markets performed well in May, ending the month higher with both the ASX 200 and ASX Small Ordinaries Index gaining +4.3% and +5.8%, respectively. Among ASX 300 sectors, Technology (+18.8%) and Energy (+8.7%) were the strongest performers, while Consumer Staples (+1.1%) and Utilities (+0.3%) underperformed.

Within the ASX Small Ordinaries Index, Energy (+11.7%) and Technology (+8.9%) were the top-performing sectors, while Healthcare (-1.0%) and Consumer Discretionary (+2.8%) lagged.

Large-cap growth outperformed value in Australia, with the MSCI Australia Growth and Value Indices gaining +4.9% and +2.6%, respectively. Growth also outperformed value among small caps, with the MSCI Australia Small Cap Growth Index rising +6.9% versus the Small Cap Value Index's +5.2%.

The Reserve Bank of Australia cut interest rates by 25 basis points, from 4.10% to 3.85%, in line with market expectations, though it did consider a 50 basis point cut, highlighting its dovish tilt. Meanwhile, unemployment and inflation rates remained stable at 4.1% and 2.4% year-on-year, respectively.

## Portfolio Commentary

During May, the Ophir High Conviction Fund's investment portfolio returned +11.4% (net of fees) versus the index return of +5.9%. Since inception in August 2015, the Fund has returned +14.1% p.a. (net of fees), while the index has returned +9.4% p.a.

The Ophir High Conviction Fund's ASX listing rose +11.3% for the month.

In terms of portfolio positioning, the number of holdings decreased to 33 and cash levels declined to 8.8%.

One of the largest contributors to performance for the month was Life360 (ASX: 360), gaining +51.9% after reporting a robust March quarter result with strong organic growth in subscriptions. Life360 remains a top position in the Fund and continues to add value. We remain confident in its long-term growth prospects.

One of the largest detractors for the month was Service Stream (ASX: SSM). The contractor for companies such as the National Broadband Network (NBN) has historically performed well but fell slightly (-2.9%) during the month as a seller cleared their position. SSM remains one of our high-conviction names in the Fund.

## Outlook

Small-cap companies continue to trade at a discount relative to large caps globally. This remains true in Australia, where large-cap valuations on a forward price-to-earnings basis are trading around two standard deviations above their 20-year average, while small caps are trading near their long-term average P/E of 16x.

Geopolitical tensions, but moderated, continue to simmer, especially given the temporary nature of recent tariff relief. Australia is comparatively better positioned than most countries, with the Trump Administration only levying a 10% tariff on Australian goods and a likely deflationary impact as more exports are diverted from the U.S. to Australia.

Globally, monetary easing continued in several jurisdictions, with the Bank of England, RBA, Bank of India, Bank of Korea, and South African Reserve Bank all cutting policy rates by 25 basis points.

Our focus remains on businesses with robust earnings growth. The portfolio maintains a balanced mix of cyclical and defensive companies, a positioning we believe is appropriate for current market conditions.

Small-cap growth companies continue to offer attractive valuations compared to large caps, supporting our view. We will continue our disciplined approach, identifying growing businesses with resilient earnings that we believe will ultimately find favour in the current lower-growth market environment.

## 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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The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235150 (Responsible Entity) is the responsible entity of Ophir High Conviction Fund (the Fund). This document has been prepared by Ophir Asset Management Pty Ltd ABN 88 156 146 717, AFSL 420 082 (Ophir), the investment manager of the Fund and is authorised for release by The Trust Company (RE Services) Limited as responsible entity and the issuer of units in the Fund. The information is of general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current product disclosure statement (PDS) of the Fund. The PDS can be obtained at [www.ophiram.com](http://www.ophiram.com). Neither the Responsible Entity nor Ophir guarantees repayment of capital or any particular rate of return from the Fund. All opinions and estimates included in this document constitute judgements of Ophir as at the date of the document and are subject to change without notice. Past performance is not a reliable indicator of future performance. Ophir accepts no liability for any inaccurate, incomplete or omitted information of any kind or any losses by using this information.