

10 April 2024

Ophir High Conviction Fund (ASX:OPH) – Investor Update

Dear Investor,

On Wednesday 10th April 2024, we will be providing a video update on our Funds, including the Ophir High Conviction (ASX:OPH, “the Fund”).

Please find below the key points we will convey in the update relating to the Fund.

1. Market insights & Fund performance*

The Australian share market continued to push forward in March alongside other major global share markets. Smaller companies in the ASX Small Ordinaries (+4.9%) index outperformed its larger counterpart in the ASX 100 (+3.3%) by 1.6%. The Australian share market has returned a positive outcome every month to start 2024, with the ASX Small Ordinaries and ASX 100 indices returning +7.8% and +5.6% respectively over this period. Over the last year however, the ASX 100 (+16.0%) has outperformed the ASX Small Ordinaries (+14.5%) by 1.5%.

For the month ending 31 March 2024, the Net Asset Value (NAV) of the Fund was up +6.2% (net of fees) with the OPH ASX returning +13.0%, compared to the benchmark which was up +4.1%.

*We note past performance is not a reliable indicator of future performance.

2. Stocks in focus

Top contributor:

Webjet (ASX:WEB) – WEB hosted an investor day during the month where it gave a positive update on its overseas Hotels division which saw WEB’s share price rise +26.9% in March.

Top detractor:

Kelsian Group (ASX:KLS) – KLS continued to experience weakness after giving soft guidance to the market in February. It’s share price fell -4.3% in March.

3. OPH trading at a discount

We note the OPH share price traded at a discount to its Net Tangible Asset per share (NTA) for March 2024.

We like the opportunity to buy low throughout the cycle, whether that is stocks in our own Funds, or OPH itself with our own personal investments.

We note that given the size of the discount to Net Asset Value (NAV) that the ASX listed High Conviction Fund (ASX:OPH) had recently been trading on (circa -15%) we (Andrew & Steven) have recently been personally buying units in OPH given the opportunity we see on offer. In early April at writing the discount had closed to around -7% to -8%.

4. OPH buy-back facility

We commenced utilising the buy-back facility for OPH during March 2020 as markets sold off during the early stages of COVID-19. We have renewed the facility and will continued to utilise this where we see good value on offer in the OPH unit price. We have a process and rules in place for when we use the facility in the market to buy back OPH units. We remain committed to this facility and process and will continue to use this mechanism where we believe it is in the best interests of all unitholders and accretive to performance of the Fund over the long term.

We remain as hard working as ever to find and allocate to those small and mid-cap businesses listed in Australia that we believe can significantly grow earnings and provide attractive risk-adjusted returns over the medium to long term.

Your sincerely,

The image shows two handwritten signatures in black ink. The first signature on the left is 'Andrew Mitchell' and the second signature on the right is 'Steven Ng'. Both are written in a cursive, flowing style.

Andrew Mitchell & Steven Ng

Co-Founders & Senior Portfolio Managers
Ophir Asset Management

For further information, please contact:

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This information has been prepared by Ophir Asset Management (ABN: 88 156 146 717, AFSL 420082) the Investment Manager of the Ophir High Conviction Fund and is authorised for release by The Trust Company (RE Services) Limited (ABN: 45 003 278 831, AFSL 235 150) as responsible entity and the issuer of units in the Trust. It is general information only and is not intended to provide you with financial advice and has been prepared without taking into account your objectives, financial situation or needs. You should consider the product disclosure statement (and any ASX Announcements) prior to making any investment decisions. If you require financial advice that takes into account your personal objectives, financial situation or needs, you should consult your licensed or authorised financial adviser. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS and target market determination can be obtained by calling +612 8188 0397 or visiting our website ophiram.com.au.

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