

5 July 2024

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

Dear Investor,

On Friday 5 July 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*

In June, the global stock market marched forward for the second consecutive month continuing to add gains in 2024. Larger companies in Australia outperformed smaller companies, with the ASX 100 returning +1.2%, while the ASX Small Ordinaries index returned -1.4% for the month. Larger companies in Australia are still outperforming smaller companies in the last 12 months.

For the month ending 30 June 2024, the Net Asset Value (NAV) of the Fund was down -0.8% (net of fees) with the OPH ASX price returning +1.2%, compared to the benchmark which was down -1.4%.

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

2. Stocks in focus

Top contributor

Life360 (ASX: 360) – In June 360 announced to the market that they have hit two million paying subscribers for their family safety application, which was slightly more than the market anticipated. 360’s share price rose +7.0% in June.

Top detractor:

Mineral Resources Ltd (ASX: MIN) – MIN’s share price was under pressure in the month of June for two reasons. Firstly, concerns surrounding their capital expenditure programme being more than market anticipated and secondly, resource prices were under pressure this month which is closely tied to MIN’s underlying earnings. Its share price fell -24.8% for the month of June.

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 June 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.

4. Update to OPH Distribution Reinvestment Plan (DRP)

On the 13th May this year we announced to the ASX an update to the OPH Distribution Reinvestment Plan. The update to the DRP will allow us, where the market price is trading at a discount to NAV, to purchase units on market as a part of the DRP to help ensure that the re-investment price is reflective of this value on offer. We expect that this amendment will make the DRP a more attractive proposition to investors, including for us as material investors in the Fund.

5. 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 signature on the left is 'Andrew Mitchell' and the signature on the right is 'Steven Ng'.

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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