

Ophir High Conviction Fund



Figures as at 30 November 2024
Date of Issue 10 December 2024

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	+14.3%	\$761.5m

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

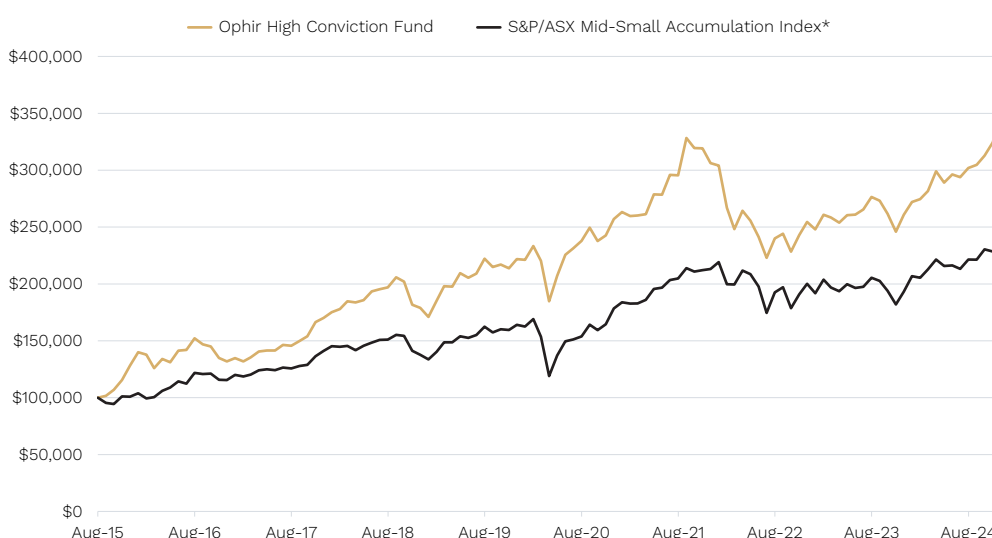


Chart represents net value of \$100,000 invested since inception and assumes distributions reinvested. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using NAV prices after taking into account all of Perpetual's ongoing fees and assuming 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)	5 Years (p.a)	3 Years (p.a)	1 Year	3 Months	1 Month
Fund Return (Net)	14.3%	9.5%	4.4%	33.7%	14.4%	7.5%
Benchmark*	9.7%	7.6%	3.5%	22.4%	6.8%	3.5%
ASX: OPH Unit Price Return	N/A	8.7%	-3.1%	38.7%	12.0%	9.6%

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 31 October 2024, 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.



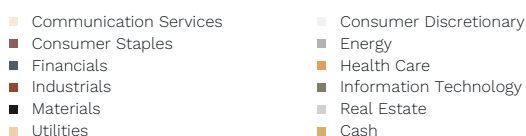
Steven Ng
B Acc, CFA | Founder and Portfolio Manager
23+ years experience in financial markets, previously Paradise Investment Management and ING.

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 30 September 2024 (updated quarterly)

Company	Industry	ASX Code
AUB Group	Insurance	AUB
Infratil Ltd	Industrial	IFT
Life360 Inc	Software	360
NextDC Ltd	IT Services	NXT
Technology One	Software	TNE
Average Portfolio Market Cap		\$9.1bn

Net Asset Value (NAV & Unit Price)

As at 30 November 2024

	Amount
NAV	\$3.42
Unit Price (ASX: OPH)	\$2.98

Market Commentary

November was a busy month. Donald Trump was elected as the 47th President of the United States, sending U.S. stocks up and global currencies depreciated against the greenback on the election result. Gold fell on the election results but regained ground later in the month. China announced a RMB 10 trillion (\$1.4 trillion USD) stimulus package to address economic challenges.

Domestically, the Australian market ended the month up, with the ASX200 gaining +3.9%. This beating the ASX Small Ords gain of +1.3%. Growth outperformed value with the MSCI Australia Growth Index gaining +6.1%, while the MSCI Australia Value Index lagged up +2.0%. This Growth outperformance edge was held in small caps but by less with the MSCI Australia Small Cap Growth index returning +2.3% versus the MSCI Australia Small Cap Value index up +1.7%.

The October YoY CPI monthly indicator came in at 2.1%, lower than market expectations of 2.3%. The unemployment rate remained stable at 4.1%. While the monthly CPI inflation figure is at the lower end of the RBA's target band, trimmed mean inflation (which the RBA puts more emphasis on) is still above the 2-3% band at a 3.5% annual rate. Post a softer than expected Q3 Australian real GDP growth print of +0.3% delivered in early December, market pricing now expects a greater than 50% probability of the first RBA rate cut in as soon as February 2025.

Looking at the ASX Small Ords Index, Healthcare (+8.4%), Financials (+7.8%) and IT (+6.3%) were the best performing sectors whilst the Energy (-5.7%), Materials (-4.8%) and Consumer Staples (-2.0%) were the worst performing sectors.

Portfolio Commentary

During November, the Ophir High Conviction Fund's investment portfolio returned +7.5% (net of fees) versus the index which returned 3.5%. Since its inception in August 2015, the Fund has returned +14.3% p.a. (net of fees) while the index has returned +9.7% p.a.

The Ophir High Conviction Fund's ASX listing provided a total return of 9.6% for the month.

In terms of portfolio positioning, the number of holdings decreased to 34 and cash levels increased to 5.8%. The majority of the portfolio attribution was driven by stock selection, highlighting that sticking to our process ensured we outperformed in November.

One of the largest contributors to performance for the month was Life360 (ASX:360). Life360 continues to contribute positively to the portfolio and gain new supporters with its share price rising +15.2% over the month.

One of the largest detractors to performance for the month was Ora Banda Mining (ASX: OBM). OBM fell -22.5% for the month as the gold price fell.

With tighter monetary policy still in play, but the prospect of RBA rate cuts starting early in 2025, we are cautiously navigating this period of forecasted economic growth. Though we do expect broader economic and corporate earnings growth to pick up in Australia in 2025.

Outlook

Post the U.S. election, the market is still pricing in rate cuts from the Fed into 2025 despite the risk of higher inflation stemming from Trump's policies. The U.S.'s aggressive stance towards international trade is likely to weigh on global growth, with developed economies broadly affected and China forecasted to be particularly impacted.

Australia is still lagging the developed world in regard to rates. At time of writing, the market is pricing a greater than 50% of the first RBA 0.25% rate cut this cycle in February 2025. GDP forecasts remain low due to a combination of tighter for longer Australia monetary policy and weaker export demand. China's economic challenges and attempts at stimulating their economy will have direct impacts on Australia's export market.

The portfolio remains balanced with a mix of cyclical and defensive growth companies, focusing on businesses with resilient earnings. We believe this positioning is appropriate in the current market environment. Furthermore, smaller growth companies continue to trade at a discount relative to large caps, presenting opportunities for the portfolio.

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 Trust. The information is of general nature only and has been prepared without taking into your 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. 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