

Ophir High Conviction Fund



Figures as at 31 December 2024

Date of Issue 16 January 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	+13.5%	\$719.9m

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

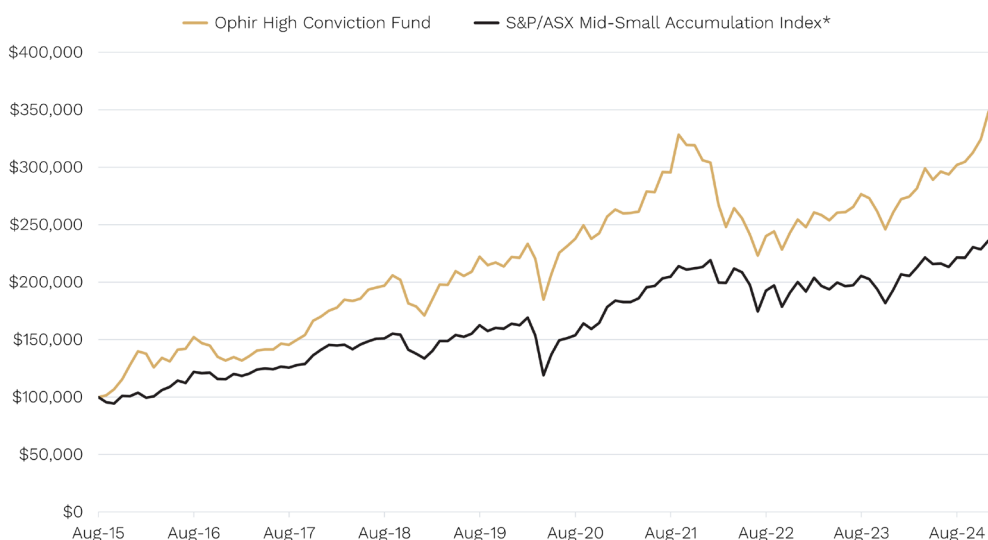


Chart represents net value of \$100,000 invested since inception and assumes distributions reinvested. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using NAV prices after taking into account all of Perpetual's ongoing fees and assuming 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)	13.5%	8.3%	2.7%	21.2%	5.4%	-5.4%
Benchmark*	9.2%	7.0%	1.4%	10.4%	-0.8%	-3.4%
ASX: OPH Unit Price Return	N/A	8.8%	-3.0%	26.7%	9.6%	0.0%

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.



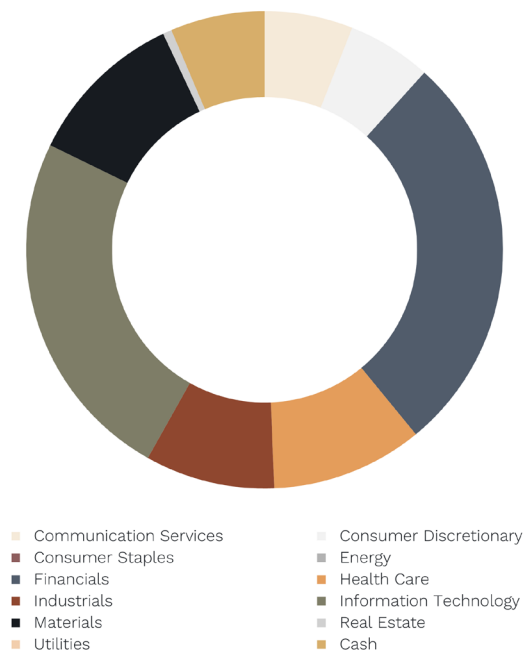
Steven Ng
B Acc, CFA | Founder and Portfolio Manager
23+ years experience in financial markets, previously Paradise Investment Management and ING.

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 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 31 December 2024

	Amount
NAV	\$3.23
Unit Price (ASX: OPH)	\$2.98

Market Commentary

December saw the U.S. electoral college finalise vote counting. The new House of Reps will consist of 220 Republicans and 215 Democrats. President Trump has also been filling his cabinet positions throughout the month, naming pro-crypto Paul Atkins as SEC chair. The Bitcoin price briefly breached USD \$100,000 during December.

Domestically, the Australian market ended the month lower, with the ASX 200 and ASX Small Ordinaries losing 3.1% each.

Growth outperformed value on a relative basis in large caps in Australia with the MSCI Australia Growth and Value Indices dropping -2.7%, and -3.5% respectively. This was flipped in Australian small caps though with the MSCI Australia Small Cap Growth Index returning -4.5% versus the MSCI Australia Small Cap Value Index -2.4%.

Economic data was a mixed bag over the month. The unemployment rate fell from 4.1% to 3.9% while the GDP YoY rate dropped from 1.1% to 0.8%. The RBA left the cash rate stable at 4.35% but over the month market pricing for a first RBA rate cut in February 2025 increased from about a 33% to a 66% chance at writing given softer economic momentum.

Looking at the ASX Small Ords Index, Energy (+2.1%), Consumer Staples (+0.4%) and Healthcare (-0.4%) were the best performing sectors whilst the Financials (-6.1%), Technology (-4.3%) and Real Estate (-4.2%) were the worst performing sectors.

Portfolio Commentary

During December, the Ophir High Conviction Fund's investment portfolio returned -5.4% (net of fees) versus the index which returned -3.4%. Since its inception in August 2015, the Fund has returned +13.5% p.a. (net of fees) while the index has returned +9.2% p.a.

The return of Ophir High Conviction Fund's ASX listing was flat for the month.

In terms of portfolio positioning, the number of holdings is stable at 35 and cash levels increased to 6.4%. Most of the portfolio outperformance over the last year continues to be driven by stock selection, highlighting that sticking to our process is providing rewards recently.

One of the largest contributors to performance for the month was Technology One (ASX: TNE). Technology One continues to add value to the fund, gaining 3.6% over the month and reached an all-time high during the month.

One of the largest detractors to performance for the month was Life360 (ASX: 360). Over the month Life360 fell -10.9% on very little news, after a strong run up through 2024. We are still confident in the long-term growth prospects of the company.

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 low forecasted economic growth. Though we do expect broader economic and corporate earnings growth to pick up in Australia over 2025.

Outlook

December was an uncharacteristically soft month for equities, as a more hawkish U.S. Fed disrupted the Santa rally. While U.S. economic growth is still expected to outperform other developed economies—driven by robust consumer spending and a stronger-than-expected labour market—higher for longer interest rates have seen many investors question whether already very high U.S. share market valuations can continue to drive the U.S. market, and indeed global shares higher.

Australia is still lagging the developed world in regard to rates. At time of writing, the market is pricing the first RBA rate cut in either February or April 2025. GDP forecasts remain low due to a combination of tighter for longer Australia monetary policy and weaker household consumption and exports. China's economic challenges and attempts at stimulating their economy in 2025 will have direct impacts on Australia's export market and economy more broadly which we see as likely an incremental net positive for Australian corporate earnings.

As 2025 begins, the portfolio remains balanced, comprising a mix of cyclical and defensive growth companies. A new U.S. Trump administration and its nationalist policies could be a net benefit or headwind to U.S. and global economic growth depending on the ultimate policy make up and any foreign policy response. The most likely outcome we see is incrementally higher U.S. economic growth, inflation and interest rates. We continue to focus on businesses with resilient earnings and believe the positioning of the Fund is appropriate to the current market environment. Additionally, smaller growth companies continue to trade at a discount relative to large caps, presenting attractive 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