

# Ophir Global High Conviction Fund (Class B)



Figures as at 31 January 2025  
Date of Issue 20 February 2025

Prepared for Platforms Only  
APIR Code PIM9456AU

## About The Fund

The Ophir Global High Conviction Fund (the Fund) seeks to provide investors with concentrated exposure to high quality small and mid-cap companies globally. 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 deliver ongoing positive earnings revisions. With a bias toward cash generative businesses with sound balance sheets and high quality management teams, the Fund seeks to identify those opportunities early in a Company's investment life cycle, when the listed equity is typically under-researched and under-valued by the broader investment market. This fund is appropriate for investors with "High to Very High" risk and return profiles. A suitable investor for this fund is prepared to accept high to very high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the Target Market Determination (TMD) for further information.

Unit Price	Net Return Since Inception (p.a.)	Fund Status
\$1.5109	+28.1%	Open

## 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 proprietary 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

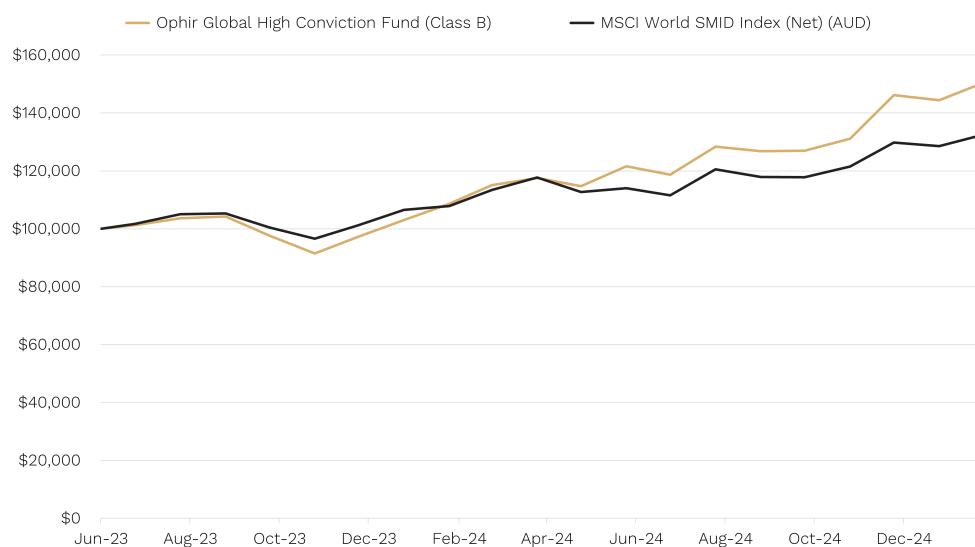


Chart represents net value of \$100,000 invested since inception and assumes distributions reinvested. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using NAV prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. \*The Fund's benchmark is the MSCI World SMID Index (Net) (AUD).

	Since Inception (p.a)	3 Years (p.a)	1 Year	6 Months	3 Months	1 Month
<b>Fund Return - Class B (Net)</b>	<b>28.1%</b>	<b>N/A</b>	<b>38.6%</b>	<b>17.3%</b>	<b>14.9%</b>	<b>4.3%</b>
Benchmark*	18.6%	N/A	22.9%	10.0%	9.1%	3.1%

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. \*MSCI World SMID Index (Net) (AUD).

## 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.



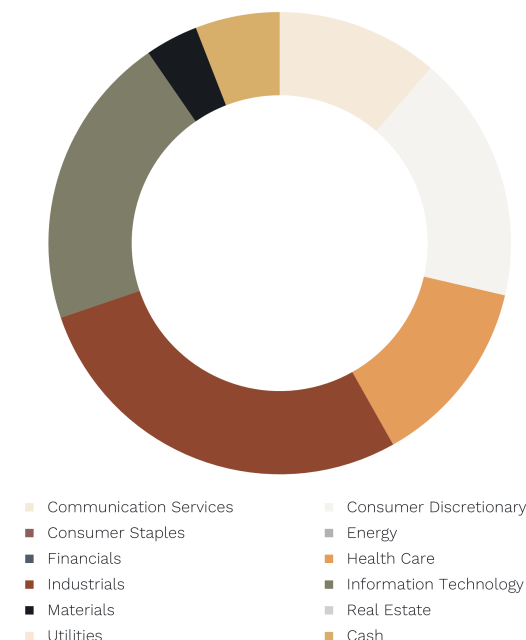
**Steven Ng**  
B Acc, CFA | Founder and Portfolio Manager  
23+ years experience in financial markets, previously Paradise Investment Management and ING.

## Key Information

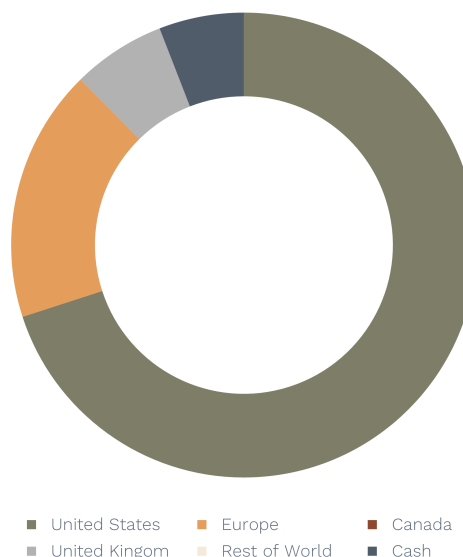
<b>Responsible Entity</b>	The Trust Company (RE Services) Limited
<b>Investment Manager</b>	Ophir Asset Management Pty Ltd
<b>Class Inception</b>	June 2023
<b>Number of Stocks</b>	20 - 40
<b>Cash Distributions</b>	Annually
<b>Redemptions</b>	Daily
<b>Investment Objective</b>	Outperform benchmark (after fees) over the long term (5+ years)

## Allocation of Investments

Portfolio Sector Exposures



Portfolio Geographic Exposures



## Portfolio Characteristics

Number of Equity Holdings	32
Cash	5.9%
Weighted Average Market Cap	\$6.0bn

## Portfolio Metrics

Price / Earnings	19.3x
EPS Growth	22.8%
Net Debt / EBITDA	0.3x

\*Numbers are sourced from Bloomberg. PE is weighted harmonic mean, EPS Growth is weighted average with a collar of 0 to 50 and Net Debt/EBITDA is weighted average with a collar of -10 to 10 and excludes companies with net cash and negative EBITDA. Leases have been removed from Net Debt.

## Market Commentary

The first month of 2025 has been anything but quiet. Justin Trudeau resigned as Prime Minister of Canada, Meta Platforms ended its fact-checking efforts, and British government bonds experienced their worst sell-off since 2008, with yields on the 10-year note reaching 4.9%. In the US, non-farm payrolls rose by over 250,000 workers in December, fuelling concerns that the economy remains overheated. Meanwhile, oil prices climbed to their highest levels since August.

Most major indices posted gains over the period. Small-caps slightly underperformed large-caps on a relative basis, with the Russell 2000 Index and the S&P 500 gaining 2.6% and 2.8%, respectively. Within small caps, growth outperformed value, as the Russell 2000 Growth Index rose 3.2% compared to a 2.1% increase for the Russell 2000 Value Index.

In contrast, large-cap growth underperformed value, with the S&P 500 Growth Index rising 2.7%, lagging behind the 2.9% gain of the S&P 500 Value Index. This disparity was driven by a 17% drop in Nvidia and other AI-oriented stocks, following the announcement of AI competitor DeepSeek.

At the sector level, all sectors within the S&P 500 posted single-digit gains, except for Information Technology, which fell -2.9% due to the DeepSeek-related sell-off. In U.S. small-caps Health Care (+5.4%) and Consumer Staples (+3.6%) were the strongest relative performers, while Energy (-0.5%) and Communications (+0.3%) lagged.

The Australian market ended the month higher, with both the ASX 200 and ASX Small Ordinaries advancing 4.6%. The gains were led by Consumer Discretionary (+7.1%) and Financials (+6.1%) for the ASX 200.

In policy news, the European Central Bank announced its fifth consecutive rate cut, reducing rates by 25 basis points. Meanwhile, the U.S. Federal Reserve kept its policy rates unchanged. Closer to home, Australia's core inflation eased from 3.5% to 3.2%, raising market expectations for a potential rate cut earlier than previously anticipated.

## Portfolio Commentary

During January, the Ophir Global High Conviction Fund – Class B returned 4.3% (net of fees) versus the index which returned 3.1%. Since its inception in June 2023, the Fund has returned +28.1% p.a. (net of fees) while the index has returned +18.6% p.a.

The number of holdings decreased to 32 and cash levels increased to 5.9%. In terms of currency movements, the AUD was relatively flat against the USD over the month (+0.5%).

One of the largest stock contributors to performance during the month was a \$9.3bn AUD online education business. The company's share price rallied +29.8% over the month after boosting its revenue forecast for 2025.

One of the largest detractors to performance during the month was an \$3.3bn AUD global publishing company. The stock was down -6.4% for the month on no market news. The stock is still one of our strongest performers and we continue to hold our conviction. The stock is trading at 11.3x earnings which provides an attractive valuation multiple with meaningful upside.

## Outlook

January brought positive momentum to equities, though uncertainty around global policy shifts and inflation trends remains. The U.S. labour market's unexpected strength, combined with rising oil prices, has cast doubt on the pace of future interest rate cuts. Central bank policy will remain a significant influence on market sentiment. Globally, improving inflation measures could support risk-taking, while domestically, Australia's equity market is on tenterhooks awaiting pricing pressures to continue easing.

As we move forward in 2025, the portfolio is positioned to balance cyclical and defensive exposures, with a focus on businesses demonstrating earnings resilience.

Additionally, small-cap growth companies continue to offer attractive valuations compared to large caps, supporting our outlook for ongoing opportunities for the portfolio. We remain committed to our disciplined approach, identifying high-quality businesses with resilient earnings and believe the active positioning of the Fund is appropriate for the current market conditions.

## 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.

### Investor Services

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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 judgments 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. The Product Disclosure Statement (PDS) and Target Market Determination (TMD) can be obtained by calling 02 8188 0397. The TMD is also available via the FE Fundinfo link [here](#).