

# Ophir Global Opportunities Fund



FIGURES AS AT 30 APRIL 2020

This information has been prepared for wholesale clients only.

DATE OF ISSUE: 11 MAY 2020

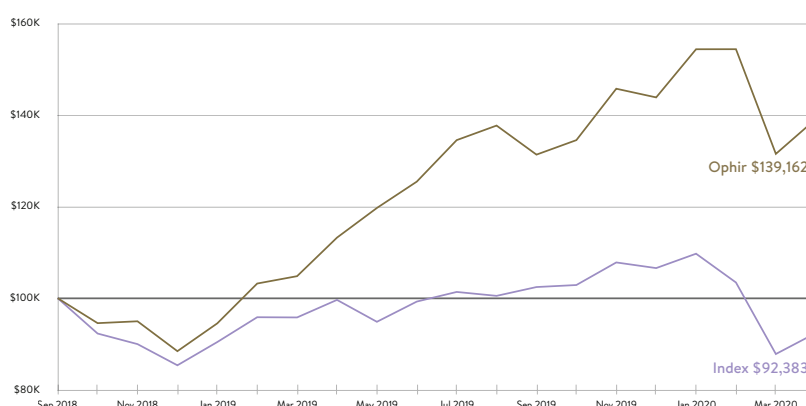
## ABOUT THE FUND

The Ophir Global Opportunities 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.

Unit Price (30 April)	Net Return Since Inception p.a.	Value Add (Gross) Since Inception p.a.	Fund Status
<b>\$1.2160</b>	<b>23.3%</b>	<b>38.0%</b>	<b>Enquire</b>

## OPHIR ASSET MANAGEMENT

- Privately owned investment management businesses co-founded by Senior Portfolio Managers in March 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 - Senior Portfolio Managers are substantial investors in the Fund



\* Chart represents net value of \$100,000 invested since inception and assumes dividends reinvested. Please note past performance is not a reliable indicator of future performance.

\*\*All monthly performance figures since inception have been audited figures except Mar 2020 which are unaudited estimates.

	Since inception p.a.	1 Year	FYTD	3 Months	1 month
<b>Ophir Global Opportunities Fund<sup>^</sup></b>	<b>33.1%</b>	<b>33.1%</b>	<b>17.0%</b>	<b>-7.9%</b>	<b>5.9%</b>
<b>Benchmark*</b>	-4.9%	-7.3%	-6.9%	-15.8%	5.2%
<b>Value Add (Gross)</b>	38.0%	40.4%	23.9%	7.9%	0.7%
<b>Fund Return (Net)<sup>^^</sup></b>	23.3%	22.9%	10.9%	-9.9%	5.8%

\* MSCI World SMID Index (Net) (AUD) <sup>^</sup>Gross Performance (pre all fees) assuming all distributions re-invested from inception. <sup>^^</sup> Net Return after all Fees

## SENIOR PORTFOLIO MANAGERS



**Andrew Mitchell** B Ec (Hons), MAppFin  
Portfolio Manager  
15+ years experience in financial markets, previously Paradise Investment Management and Commonwealth Treasury Department



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

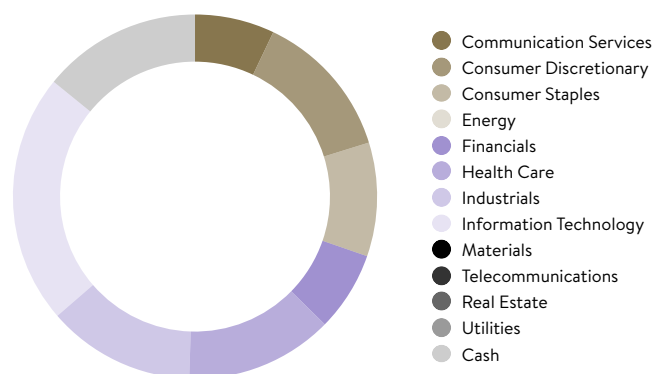
## KEY INFORMATION

<b>Responsible Entity &amp; Manager</b>	Ophir Asset Management Pty Ltd
<b>Fund Inception</b>	October 2018
<b>Min Investment Amount</b>	\$100,000
<b>Number of Stocks</b>	20-50
<b>Cash Distributions</b>	Annually
<b>Redemptions</b>	Monthly
<b>Investment Objective</b>	Outperform benchmark (after fees) over long term (5+ yrs)

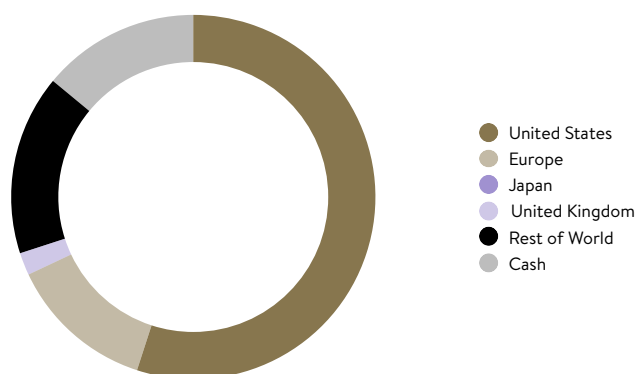
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## ALLOCATION OF INVESTMENTS (as at 30 April 2020)

### PORTFOLIO SECTOR EXPOSURES



### GEOGRAPHIC EXPOSURES



### PORTFOLIO CHARACTERISTICS (as at 30 April 2020)

Number of Equity Holdings	24
Cash	13.7%
Avg. Market Cap	\$1,543m

### PORTFOLIO METRICS (as at 30 April 2020)

Price / Earnings	19.1
EPS Growth	22%
Net Debt / EBITDA	0.7

## MARKET COMMENTARY

For the month of April, global shares, as measured by the MSCI Developed Market Index in local currency terms, rose +10.6% reversing some of last month's losses. The MSCI Emerging Market Index rose a little less up +8.8%. The NASDAQ was again a relative outperformer in April up 15.5% as tech names continued to provide more stability in volatile markets. Small caps in general clawed back some of their relative underperformance in March, with the Russell 2000 rising +13.7% in local currency terms in April compared to +12.8% for the S&P500.

The month continued this year's theme of high volatility with the monthly +5.2% benchmark return (in AUD) masking an initial -4.7% decline in the first three days of April, followed by a stellar 12.3% rally over the subsequent twenty six days only to fall off just over 2% on the final day of the month. AUD returns were held back by an appreciating AUD during April, the same factor that provided a hedge and tailwind to returns in March as the currency depreciated. While not the most relaxing day to day experience, this kind of market volatility is not uncommon as economies enter recessionary environments and simply reflect a market trying to actively price in a wide range of future outcomes.

As we wrote last month, we remain conscious not to make large market timing or sector related bets that are outside of our control. Instead we continue to be as steady handed as we can with our fellow investors' capital and focus on our process which has delivered before through various market cycles.

With that said, our process is delivering an increasing amount of investment opportunities as we are finding companies

have a broadly higher level of clarity today than during the latter stages of March and early April. As always, we focus on cash generative businesses with structural or secular growth opportunities and strong balance sheets that trade on reasonable valuations.

## PORTFOLIO COMMENTARY

During April, the Ophir Global Opportunities Fund rose 5.8% (net of fees), outperforming the index which rose 5.2%. Since inception in October 2018, the Fund has returned +23.3% per annum after fees, outperforming its benchmark which is down -4.9% per annum since inception.

During the month we saw the portfolio outperform during the pullback early in the month before losing some of that outperformance as the market rallied aggressively, driven largely by lower quality sectors and companies in the index. We believe it will be particularly important to be balanced over the coming months, however we are encouraged by our ability to find strong investment ideas through the worst of the market gyrations in late March and early April and remain highly engaged in finding the next idea for the Fund.

May is set to be a particularly busy month at Ophir, as companies come out of their March quarter earnings period in earnest and we are internally trying to break a record for total number of company contacts in a month. While we take quality over quantity of contacts any day of the week, with such rapid changes in the economy we are highly focused on finding potential new ideas that arise in times like these, we have added two new positions this month already, as well as ensuring we remain abreast of how a broad range of companies are positioned going into the second half of 2020.

## INVESTMENT PHILOSOPHY

### 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 \$1.3bn in capital across three investment strategies on behalf of institutional superannuation funds, family offices, private wealth groups and individual investors.

The investment team comprises 9 investment professionals drawn from a diverse range of backgrounds working across all Ophir funds.

### ABOUT THE PORTFOLIO MANAGERS

Senior Portfolio Managers Andrew Mitchell and Steven Ng co-founded Ophir Asset Management in 2012 after previously managing capital together at Paradise Investment Management. Under their stewardship, the fund managed by Andrew and Steven at Paradise was the top performing equities fund in Australia from 2007-2011 versus the fund manager surveys (inclusive of the GFC). At Ophir, Andrew and Steven are Senior Portfolio Managers for the Ophir Opportunity Fund and the Ophir High Conviction Fund which have both delivered exceptional long term returns since inception.

## KEY INVESTOR CONTACTS

### INVESTOR SERVICES

#### Link Fund Solutions

T: 02 9547 4311

E: [LFS\\_registry@linkgroup.com](mailto:LFS_registry@linkgroup.com)

### INVESTMENT ENQUIRIES

#### George Chirakis (Chief Executive)

T: 02 8006 5476

E: [george.chirakis@ophiram.com](mailto:george.chirakis@ophiram.com)



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