

# Ophir Global Opportunities Fund



FIGURES AS AT 31 JULY 2020

This information has been prepared for wholesale clients only.

DATE OF ISSUE: 11 AUGUST 2020

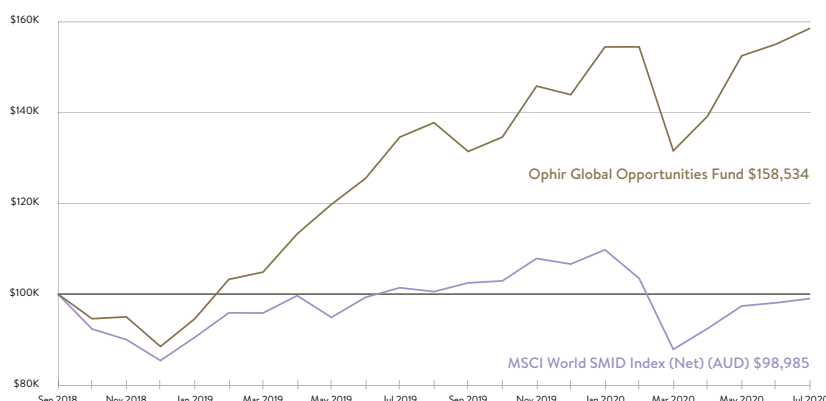
## ABOUT THE FUND

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 (31 July)	Net Return Since Inception p.a.	Value Add (Gross) Since Inception p.a.	Fund Status
<b>\$1.3940</b>	<b>28.6%</b>	<b>40.0%</b>	<b>Enquire</b>

## OPHIR ASSET MANAGEMENT

- Privately owned investment management business 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 distributions reinvested. Please note past performance is not a reliable indicator of future performance.

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

	Since inception p.a.	1 Year	6 Months	3 Months	1 month
Ophir Global Opportunities Fund <sup>^</sup>	<b>39.5%</b>	<b>26.1%</b>	<b>7.8%</b>	<b>17.1%</b>	<b>2.9%</b>
Benchmark*	-0.6%	-3.7%	-11.6%	4.5%	0.9%
Value Add (Gross)	40.0%	29.8%	19.5%	12.6%	2.0%
Fund Return (Net) <sup>^^</sup>	28.6%	18.4%	3.1%	14.3%	2.3%

\* 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



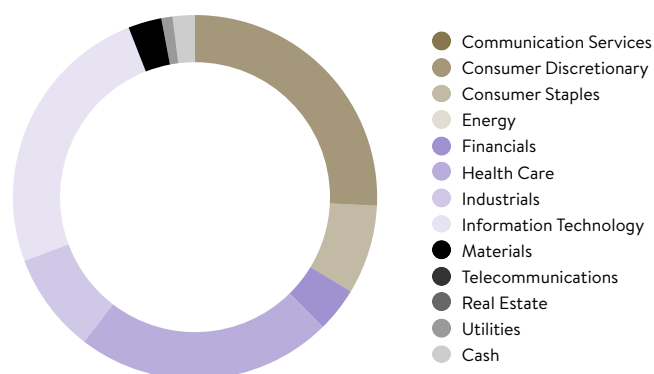
**Steven Ng** B Acc, CFA  
Portfolio Manager  
20+ years experience in financial markets, previously Paradise Investment Management and ING Investment Management

## KEY INFORMATION

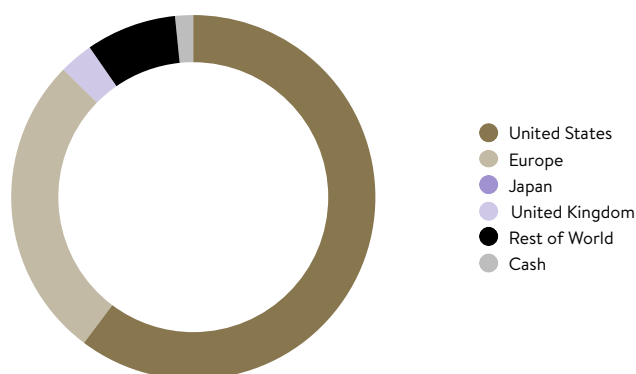
Responsible Entity & Manager	Ophir Asset Management Pty Ltd
Fund Inception	October 2018
Min Investment Amount	\$100,000
Number of Stocks	20-50
Cash Distributions	Annually
Redemptions	Monthly
Investment Objective	Outperform benchmark (after fees) over long term (5+ yrs)

## ALLOCATION OF INVESTMENTS (as at 31 July 2020)

### PORTFOLIO SECTOR EXPOSURES



### GEOGRAPHIC EXPOSURES



### PORTFOLIO CHARACTERISTICS (as at 31 July 2020)

Number of Equity Holdings	33
Cash	1.6%
Avg. Market Cap	\$1,834m

### PORTFOLIO METRICS (as at 31 July 2020)

Price / Earnings	17.8
EPS Growth	27.7%
Net Debt / EBITDA	-0.5

\*Numbers are median and sourced from Bloomberg.

## MARKET COMMENTARY

Share markets are clearly becoming more comfortable with the uncertainty brought on by COVID-19 and that the worst is likely behind us. Investors seem to have looked past the US having just logged the worst quarter of GDP growth since World War 2. US sharemarket combined realised volatility across up and down days was the lowest in July of any month this year. Investors appear to be seeing the business cycle moving into the recovery phase.

We can see this gain in confidence with estimates of corporate earnings growth across the major economies for 2020 generally ceasing to be revised lower. This is predicated though on the absence of a need to reinstitute widespread lockdowns that were so damaging to earnings estimates across the world in March, April and May. This is by no means certain, though we do see a high bar in many economies for returning to strict lockdowns where they are still struggling with COVID-19. Fortunately, the only countries to see any material increase in new cases since May lows are the US, Spain, Japan and Australia, highlighting that it has been possible for many to reopen without causing second waves.

We think a return though to 'normal' levels of volatility ahead is likely premature. The list of 'known unknowns' at present is a long one. COVID-19 still stands at the top of this list, and absent of an immediate silver bullet vaccine, we are prepared, and in fact expect, further bouts of heightened volatility ahead.

While the broader market proved less volatile during the month, we're still seeing significant individual stock volatility though. This is not unsurprising given the large market moves and reflective of meaningful mispricings in the market, which we see as a huge opportunity to take advantage of while being conscious to limit exposure to those companies which have re-rated well above our internal valuations.

## PORTFOLIO COMMENTARY

During July, the Ophir Global Opportunities Fund rose +2.3% (net of fees) versus the index which returned +0.9%. Since its inception in October 2018, the Fund has returned +28.6% p.a. (net of fees) while the index has returned -0.6% p.a. since inception.

While the market was comparatively less volatile during July, we saw the portfolio underperform during the first few weeks as some strong long term performers gave back some of their gains, before we saw several companies deliver strong earnings results in the last week of the month that helped deliver the Fund's eventual outperformance.

At Ophir, we have always viewed reporting season as a good short-term marker for how well we are applying the process which has delivered strong long-term returns. While we are encouraged by some positive early results, the majority of the portfolio is set to deliver their results in early August and we will be keenly watching for not just the marker of the historical earnings results, but most importantly, how the outlook for our companies are developing which will be key to long term returns.

We continue to be encouraged by the amount of strong investment ideas both in the portfolio currently, as well as several companies we intend on adding to the portfolio over the next few months. We remain heavily focused on ensuring those companies in the portfolio can continue to perform throughout the next few years or otherwise finding the next rising star that could enter the portfolio. We have so far been encouraged by our early discussions with our portfolio companies in early August.

## 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 Opportunities 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

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### INVESTMENT ENQUIRIES

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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 Global Opportunities 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. The information is of general nature only and has been prepared without taking into 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.