

Ophir High Conviction Fund

ASX: OPH

www.ophiram.com

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INVESTMENT UPDATE AND NAV REPORT – APRIL 2021

The Ophir High Conviction Fund seeks to provide investors with a concentrated exposure to a high quality portfolio of listed companies outside the S&P/ASX 50. 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.

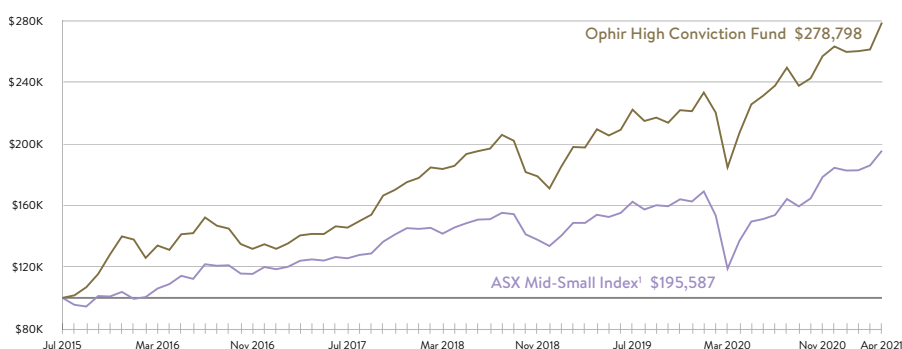
ASX Code	Net Per Annum Return Since Inception (to 30 Apr 21)	Net Return Since Inception (to 30 Apr 21)	Fund Size (at 30 Apr 21)
ASX:OPH	19.5%	178.8%	\$692.9m

APRIL 2021 PORTFOLIO SNAPSHOT

NET ASSET VALUE (NAV) PER UNIT

As at 30 April 2021	Amount
NAV	\$3.47
Unit Price (ASX:OPH)	\$3.82

To access NAV prices for the Ophir High Conviction Fund (ASX:OPH), historical ASX announcements and performance history, please visit www.ophiram.com



* Chart represents the value of \$100,000 invested since inception after all fees and before tax and assuming distributions are reinvested in the Fund. Performance of the Fund is calculated using Net Asset Value (NAV), not the market price. Please note past performance is not a reliable indicator of future performance.

† 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.

INVESTMENT PERFORMANCE

	Since Inception (p.a)	5 Years p.a.	3 Years p.a.	1 Year	3 Month	1 Month
Ophir High Conviction Fund	24.1%	19.3%	18.0%	36.7%	7.7%	6.8%
Benchmark	12.4%	12.4%	10.3%	42.7%	7.1%	5.1%
Value Add (Gross)	11.7%	6.9%	7.7%	-6.0%	0.7%	1.7%
Fund Return (Net)	19.5%	16.3%	14.5%	34.6%	7.3%	6.7%
ASX:OPH Unit Price Return	n/a	n/a	n/a	61.9%	9.1%	9.8%

Performance figures are calculated using the Net Asset Value (NAV) of the Fund as at 30 April 2021, not the market price. Benchmark is the ASX Mid-Small Accumulation Index. Inception date of the Fund is 4 August 2015. Past performance is not a reliable indicator of future performance.

TOP 5 PORTFOLIO HOLDINGS (Alphabetical) (as at 31 Mar 2021)

Company	Industry	ASX Code
Corporate Travel Management	Consumer Discretionary Services	CTD
Credit Corp Group	Financial Services	CCP
Elders Limited	Consumer Staples	ELD
Seek Limited	Communication Staples	SEK
Tyro payments	Information Technology	TYR
Average Portfolio Market Cap		\$8.2bn

KEY INFORMATION

Responsible Entity	The Trust Company (RE Services) Limited
Manager	Ophir Asset Management Pty Ltd
Portfolio Managers	Andrew Mitchell & Steven Ng
Fund Inception	4 August 2015
Fund Size	\$692.9M
Number of Stocks	15-30
Cash Distributions	Annually
Investment Objective	Outperform benchmark (after fees) over long term (5+ yrs)

ALLOCATION OF INVESTMENTS

PORTFOLIO SECTOR EXPOSURES (as at 30 April 2021)

Sector	30 April 2021
Materials	7.2%
Financials	17.0%
Health Care	7.8%
Communication Services	12.4%
Consumer Staples	4.4%
Information Technology	17.9%
Industrials	3.5%
Consumer Discretionary	22.9%
Utilities	0.0%
Real Estate	2.9%
Energy	0.0%
[Cash]	4.0%
	100%

MARKET COMMENTARY

April generally saw bond market yields, which had been heading sharply higher on better economic growth and inflation expectations since effective vaccine news hit in November last year – take a much-needed breather. In fact, 10 year government bond yields fell in the US, Australia and Japan, whilst 2 year yields also edged down.

This is more likely a case of a mid-race pit stop, than the end of the journey higher for these ‘risk-free’ rates, but it was enough to have equities investors focus back on fundamentals such as the vaccine and monetary and fiscal policy supported corporate earnings recovery.

This saw almost all major share markets post well above average monthly returns in April, led by Aussie small caps and the tech heavy NASDAQ. Most of these gains though occurred earlier on in the month as fear grew later about the ‘fourth wave’ of COVID cases globally, and in particular its tragic and rampant spread through India.

Domestically, sharemarket returns in the month were led by IT (+9.7%) and Materials (+6.8%), with the latter contributing most to overall market returns given its much higher sector weighting. Materials ripped right across the market cap spectrum in Australia in April, particularly those exposed to iron ore and copper with their prices up 14% and 12.5% respectively during the month. In the mid and small cap space we invest in for Australia, 5 of the top 10 companies in ‘mids’ and 7 of the top 10 in ‘smalls’ were from the Materials sector.

Of course, this has been happening as the upswing in the economic cycle has increased demand for these commodities and which has also benefited other cyclical sectors of global share markets more generally.

PORTFOLIO COMMENTARY

During April, the Ophir High Conviction Fund’s investment portfolio returned +6.7% (net of fees) versus the index which returned +5.1%. Since its inception in August 2015, the Fund has returned 19.5% p.a. (net of fees) while the index has returned 12.4% p.a. since inception.

During April the Ophir High Conviction Fund’s ASX listing provided a total return of +9.8% for the month.

As bond yields ceased their upwards march in most markets during April, a rotation back into ‘growth’ and ‘quality’ style companies occurred. This growth rotation was more pronounced in the US with the S&P500 Growth index up 6.9% versus its Value counterpart at 3.7% but was still seen in Australia (3.7% v 3.3%).

Outperformance was assisted during the month with two of our top 5 holdings, Mineral Resources and Afterpay, comprising two of the top four performing companies in the ASX100 during the month, up 25.6% and 15.9% respectively. Mineral Resources benefitted from rising iron ore and lithium prices. In other major lithium related news during the month, Orocobre and Galaxy Resources agreed during the month to combine to make the 5th largest lithium producer globally likely seeing it go into the ASX200. Investors clearly thought 2+2 equals more than 4 with the price of each rising 41.8% and 55.3% respectively during the month to be the best and third best performing small caps in April.

Afterpay provided a March (Q3FY21) update during April which showed continued strong operating performance. The main headline grabbing news was a potential US listing. We see this as probably the next evolution of Afterpay’s shareholder base after ownership of its ASX listing by US investors has risen from virtually nothing three years ago to over 40% today. We think mostly it reflects its global relevance and share of mind to both consumers, merchants and shareholders, as well as the dominance of the US business to the overall Afterpay business.

The primary detractors during the month were thematic related and generally impacted by tempering of sentiment to re-opening theme companies. This was exemplified by the falls in non-portfolio holdings Webjet (-10.4%) and Flight Centre (-6.9%) that are two of the most leveraged to this theme on the ASX.

INVESTMENT PHILOSOPHY

INVESTMENT OBJECTIVE

The Fund seeks to provide Unitholders with a concentrated exposure to a high quality portfolio of listed companies outside the S&P/ASX 50. 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. The Fund aims to generate long-term returns in excess of the Benchmark (after fees and before tax) and provide consistent, sustainable returns for Unitholders.

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 across four investment strategies on behalf of institutional superannuation funds, family offices, private wealth groups and individual investors. The investment team comprises 12 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, Ophir High Conviction Fund and Ophir Global Opportunities Fund.

KEY INVESTOR CONTACTS

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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 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.



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