

# Ophir Global Opportunities Fund



FIGURES AS AT 31 AUGUST 2021

DATE OF ISSUE: 13 SEPTEMBER 2021

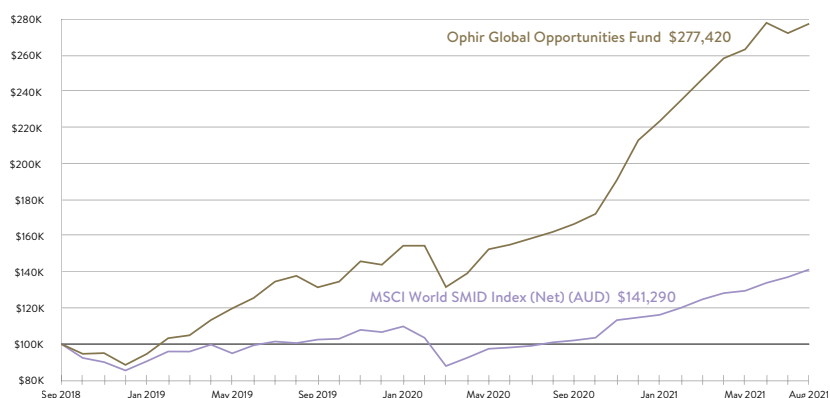
## ABOUT THE FUND

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 August)	Net Return Since Inception p.a.	Value Add (Gross) Since Inception p.a.	Fund Status
<b>\$2.0362</b>	<b>41.9%</b>	<b>40.4%</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 August 2021 which are unaudited estimates.

	Since inception p.a.	1 Year	6 Months	3 Months	1 month
Ophir Global Opportunities Fund <sup>^</sup>	<b>53.0%</b>	<b>83.7%</b>	<b>20.4%</b>	<b>6.2%</b>	<b>2.0%</b>
Benchmark*	12.6%	40.0%	17.7%	9.1%	3.1%
Value Add (Gross)	40.4%	43.7%	2.7%	-2.9%	-1.1%
Fund Return (Net) <sup>^^</sup>	41.9%	71.0%	18.1%	5.4%	1.9%

\* 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



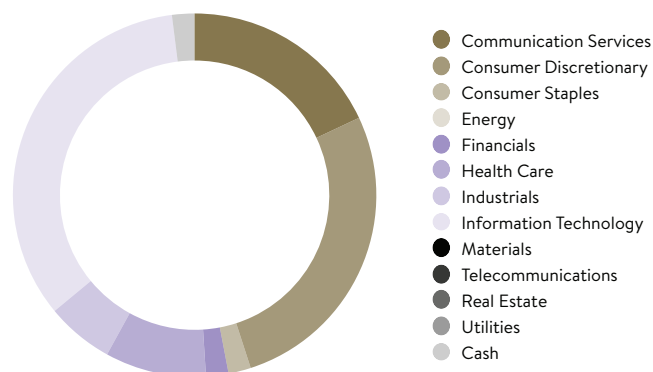
**Steven Ng** B Acc, CFA  
Portfolio Manager  
20+ years experience in financial markets, previously Paradise Investment Management and ING Investment Management

## KEY INFORMATION

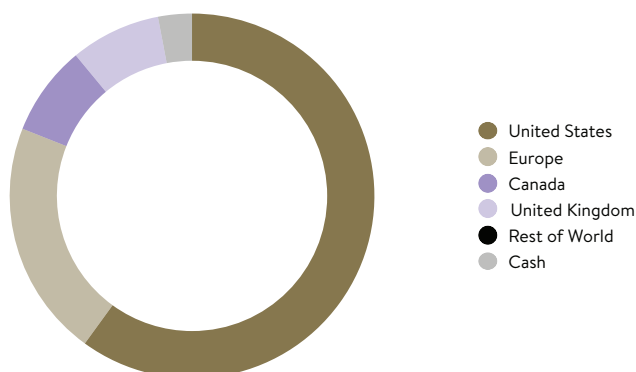
<b>Responsible Entity &amp; Manager</b>	Ophir Asset Management Pty Ltd
<b>Fund Inception</b>	October 2018
<b>Min Investment Amount</b>	\$100,000
<b>Number of Stocks</b>	20-50
<b>Cash Distributions</b>	Annually
<b>Redemptions</b>	Monthly
<b>Investment Objective</b>	Outperform benchmark (after fees) over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

## ALLOCATION OF INVESTMENTS (as at 31 August 2021)

### PORTFOLIO SECTOR EXPOSURES



### GEOGRAPHIC EXPOSURES



### PORTFOLIO CHARACTERISTICS (as at 31 August 2021)

Number of Equity Holdings	50
Cash	2.5%
Avg. Market Cap	\$1,982m

### PORTFOLIO METRICS (as at 31 August 2021)

Price / Earnings	28.5x
EPS Growth	33.5%
Net Debt / EBITDA	1.1

\*Numbers are sourced from Bloomberg. PE and EPS Growth is weighted average with a collar of 0 to 50 and Net Debt/EBITDA is weighted average with a collar of 0 to 10.

## MARKET COMMENTARY

Reporting season was in full swing in August with companies around the world announcing their full-year, semi-annual or quarterly earnings results. This is also a time when companies provide guidance around their expectations on future earnings, however, given the question marks surrounding when travel restrictions will end, we still observed many companies being reluctant to provide guidance. We welcome this trend because ultimately it creates more opportunities for mispricing of assets which is a positive for active fund managers. Overall, earnings upgrades for the year to June 2022 were seen in the key US and European markets (+4.0% and +6.1% respectively) as well as most other regions, whilst the Aussie market bucked the trend and saw downgrades (-1.4%). This was no doubt correlated to the current lockdowns occurring in Australia.

The results of the reporting season were broadly strong and, consequently, share markets around the world took another big leap forward in August, with most closing the month at or near all-time highs. During the month, the ASX Small Ords (+5.0%), ASX200 (+2.7%), S&P 500 (+3.0%), Nasdaq (+4.1%), MSCI Europe (+2.0%) and Russell 2000 (+2.2%) all generated positive returns. This occurred despite Fed Chair Powell signalling at his much-anticipated Jackson Hole speech that tapering in asset purchases was likely to begin later this year. He also again re-iterated the Fed's position that recent higher readings of inflation are likely to be temporary.

We continued to see an unwinding of the Value rally we witnessed during the first half of 2021 across most major share markets. The MSCI World Growth index was up +3.3% while its Value counterpart was up only +1.7%. US small cap companies were the exception, with the Russell 2000 Growth and Value indices returning +1.8% and +2.7% respectively.

September is an exciting month for us at Ophir as we can access management teams across the world after they have completed

reporting their earnings. This is a fantastic time to find new ideas, solidify our conviction on existing theses or reconsider our positions. We are encouraged by the amount of strong investment ideas both in the portfolio currently, as well as several companies we expect can enter the portfolio over the next few months.

## PORTFOLIO COMMENTARY

During August, the Ophir Global Opportunities Fund returned +1.9% (net of fees) versus the index which rose +3.1%. Since its inception in October 2018, the Fund has returned 41.9% p.a. (net of fees) while the index has increased 12.6% p.a.

We remain just as comfortable with the core holdings within the portfolio as we head into reporting season. The Fund's holdings remained relatively stable in August, with only three stocks replaced and one change made to the top 10 holdings.

The company we divested from our top 10 holdings is a business listed in the US which provides promotional and advertising services to retailers. We have noticed a decrease in the underlying quality metrics we track for the business and decided this no longer met our threshold criteria, so we exited the position.

We are seeing businesses rebound strongly in the US and Europe since the easing of travel restrictions given pent up 'revenge spending' from consumers. In terms of our portfolio positioning, we remain comfortable with the Fund's tilt towards companies benefitting from travel restrictions easing around the world.

We invest in companies that we can understand, that tend to be less cyclical and have large runways for growth. Typically, we have skewed towards the consumer discretionary, consumer staples, healthcare, industrials and IT sectors in the Fund. We continue to find opportunities to purchase good businesses at attractive valuations in these areas, where valuations are significantly less demanding than in the large cap end of the market at present.

## 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 over \$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.

### 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

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### INVESTMENT ENQUIRIES

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