

Ophir Global Opportunities Fund



FIGURES AS AT 31 DECEMBER 2021

DATE OF ISSUE: 17 JANUARY 2021

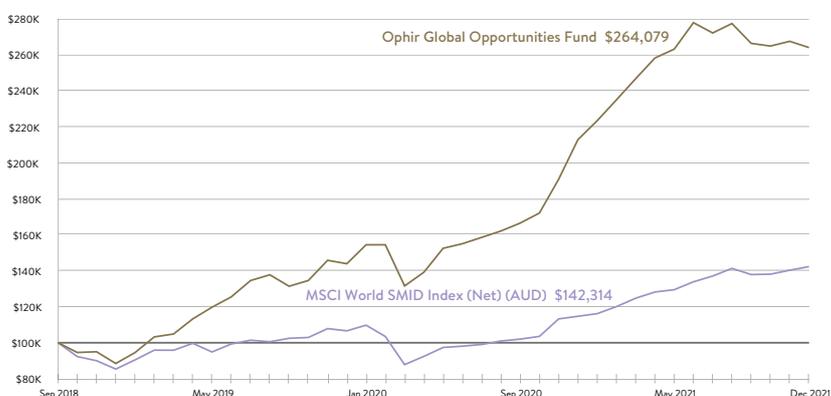
ABOUT THE FUND

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 December)	Net Return Since Inception p.a.	Value Add (Gross) Since Inception p.a.	Fund Status
\$1.9364	34.8%	33.0%	Enquire

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 December 2021 which are unaudited estimates.

	Since inception p.a.	1 Year	6 Months	3 Months	1 month
Ophir Global Opportunities Fund [^]	44.4%	28.2%	-4.4%	-0.6%	-1.2%
Benchmark*	11.5%	24.1%	6.3%	3.2%	1.5%
Value Add (Gross)	33.0%	4.1%	-10.8%	-3.9%	-2.7%
Fund Return (Net) ^{^^}	34.8%	23.6%	-5.0%	-0.9%	-1.3%

* MSCI World SMID Index (Net) (AUD) [^]Gross Performance (pre all fees) assuming all distributions re-invested from inception. ^{^^} 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



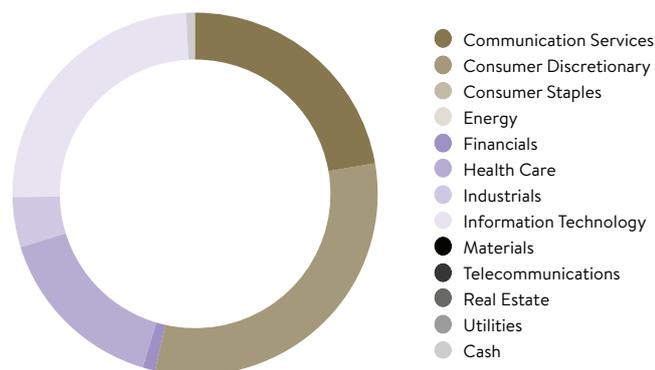
Steven Ng B Acc, CFA
Portfolio Manager
20+ years experience in financial markets, previously Paradise Investment Management and ING Investment Management

KEY INFORMATION

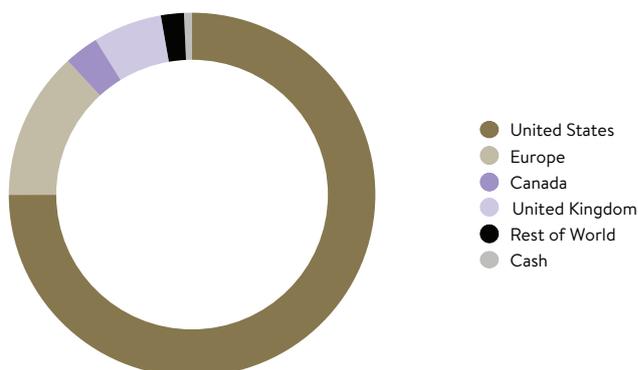
Responsible Entity & Manager	Ophir Asset Management Pty Ltd
Fund Inception	October 2018
Min Investment Amount	\$100,000
Number of Stocks	20-50
Cash Distributions	Annually
Redemptions	Monthly
Investment Objective	Outperform benchmark (after fees) over long term (5+ yrs)

ALLOCATION OF INVESTMENTS (as at 31 December 2021)

PORTFOLIO SECTOR EXPOSURES



GEOGRAPHIC EXPOSURES



PORTFOLIO CHARACTERISTICS (as at 31 December 2021)

Number of Equity Holdings	40
Cash	0.7%
Avg. Market Cap	\$1,371m

PORTFOLIO METRICS (as at 31 December 2021)

Price / Earnings	22.2x
EPS Growth	23.5%
Net Debt / EBITDA	0.2

*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

In December, most major equity markets around the world generated positive returns. The ASX Small Ords (+1.4%), ASX200 (+2.8%), S&P 500 (+4.5%), Nasdaq (+0.8%), MSCI Europe (+5.5%) and Russell 2000 (+2.2%) concluded the month in the green.

During the last few months of 2021, these equity markets moved almost in unison with most generating positive returns in August, October and December and negative returns in September and November. In our view this is because the biggest variables currently impacting equities (COVID-19 and forecasted rate hikes) are steering the way for share markets all around the world.

During the 2021 calendar year, the ASX Small Ords (+17.6%), ASX200 (+18.7%), S&P 500 (+28.7%), Nasdaq (+22.2%), MSCI Europe (+25.8%) and Russell 2000 (+14.8%) all generated well above average returns, driven primarily by a rebound in corporate profitability.

Notably, there was a significant divergence of returns for 2021 when looking at “growth” vs. “value” for US small cap companies. The Russell 2000, which tracks small cap companies in the US, returned 14.8% for the calendar year as noted above while the growth and value sides of the index returned 2.9% and 28.2% respectively over the same period – the most value had outperformed by since the tech wreck in 2000. This phenomenon did not apply to large cap companies, with the S&P 500 Growth and Value indices returning 32.0% and 24.9% respectively.

As noted above the two biggest variables currently impacting share markets are COVID-19 and the expectation of interest rate hikes in 2022 – and its precursor – the threat of sustained inflation. The Omicron variant of COVID-19 swept across the world during the month resulting in record level daily infections in many parts of the world. This variant seems to be very transmissible, but records indicate the variant is less deadly. Some mobility restrictions have returned in some parts of the world to manage hospital and ICU capacity. Turning to the Fed, before Christmas they forecasted three rate hikes in 2022 and

Chairman Powell also talked about quantitative tightening starting shortly after the end of tapering in early 2022. Markets have had to digest this hawkish pivot as it was only a few months ago many forecasters didn’t see rates lift-off until 2023 or 2024.

PORTFOLIO COMMENTARY

During December, the Ophir Global Opportunities Fund returned -1.3% (net of fees) versus the index which returned +1.5%. Since its inception in October 2018, the Fund has returned +34.8% p.a. (net of fees) while the index has returned +11.5% p.a.

We’ve written for a few months now that we are comfortable with the Fund’s core positions with little to no changes being made and December was no different. To provide further context given the Fund’s softer performance during recent months, broadly speaking some of the Fund’s holdings have derated as a result of interest rate hike expectations being brought forward, along with recent moves higher in longer term bond yields, as opposed to missed targets or unexpected headwinds. Higher interest rates disproportionately negatively impact the valuation of businesses with the most profit growth out further into the future. We have therefore been adding to positions in companies we are highly confident are growing significantly and likely to beat expectations that are now cheaper than ever.

During the month we continued to consolidate the portfolio into our highest conviction names due to higher return expectations from the recent pullback of some of our holdings and consequently the number of stocks in the portfolio reduced. We have reallocated to those companies with (1) strong earnings growth profiles, (2) comparably cheap valuations and (3) where we have been more actively engaged with management and industry experts that have given us the greatest insight.

One of the biggest contributors to performance in December was a synthetic biology company listed on the Nasdaq. The company sells synthetic biology instruments and associated products and related services, primarily to pharmaceutical and

academic laboratories around the world. The company's stock price surged by 57.9% in December following a deal with a well-known global biopharmaceutical company.

Recent remarks by the Fed have negatively impacted equity markets, particularly the most expensive growth orientated parts of markets and we have updated our valuation models accordingly. In the last few months, we have met with all our portfolio companies' management teams, and we remain confident in the businesses we own. We look forward to the upcoming earnings season where the market will focus more on the underlying operating conditions of businesses than trading off broader macroeconomic news.

In terms of COVID-19, the spread of Omicron has been astounding. We believe this will delay the recovery of some companies leveraged to economies reopening, though only temporarily as the current wave of cases may only be short lived.

We anticipate 2022 will be a year of navigating interest rate normalisation, dealing with COVID-19 as an ongoing part of business (and the consequent disruptions), managing cost pressures (especially labour) and the rebalancing of the global economy as it returns to a more normal environment.

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 \$3.0bn 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

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