

Ophir Global Opportunities Fund



FIGURES AS AT 30 APRIL 2022

DATE OF ISSUE: 9 MAY 2022

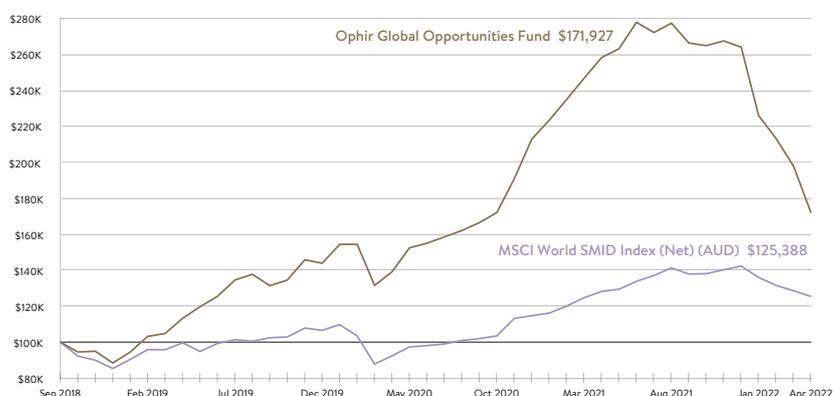
ABOUT THE FUND

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
\$1.2607	16.3%	17.5%	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 January 2022 which are unaudited estimates.

	Since inception p.a.	3 Years p.a.	1 Year	6 Months	3 Months	1 month
Ophir Global Opportunities Fund [^]	24.0%	28.4%	-32.2%	-34.7%	-23.6%	-13.0%
Benchmark*	6.5%	8.9%	-2.2%	-9.2%	-7.8%	-2.5%
Value Add (Gross)	17.5%	19.5%	-30.0%	-25.5%	-15.9%	-10.5%
Fund Return (Net) ^{^^}	16.3%	17.6%	-33.4%	-35.1%	-23.9%	-13.1%

* 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



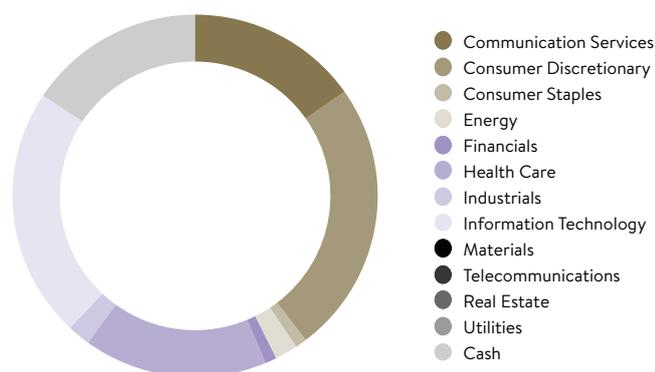
Steven Ng B Acc, CFA
Portfolio Manager
20+ years experience in financial markets, previously Paradise Investment Management and ING Investment Management

KEY INFORMATION

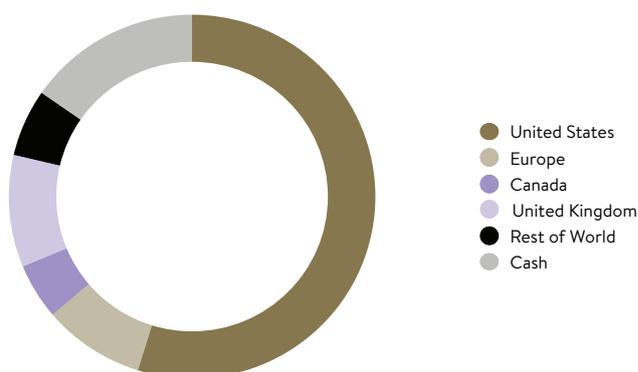
Responsible Entity & Manager	Ophir Asset Management Pty Ltd
Fund Inception	October 2018
Min Investment Amount	\$100,000
Number of Stocks	20-50
Cash Distributions	Annually
Redemptions	Monthly
Investment Objective	Outperform benchmark (after fees) over long term (5+ yrs)

ALLOCATION OF INVESTMENTS (as at 30 April 2022)

PORTFOLIO SECTOR EXPOSURES



GEOGRAPHIC EXPOSURES



PORTFOLIO CHARACTERISTICS (as at 30 April 2022)

Number of Equity Holdings	37
Cash	15.4%
Weighted Average Market Cap	\$1,563m

PORTFOLIO METRICS (as at 30 April 2022)

Price / Earnings	11.7x
EPS Growth	27.7%
Net Debt / EBITDA	-0.7

*Numbers are sourced from Bloomberg. PE is weighted harmonic mean, 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

Most stock markets around the world concluded the month in the red in April. This was most pronounced in the US, with the S&P 500, Nasdaq and Russell 2000 falling by -8.7%, -13.2% and -9.9% respectively. The Nikkei was down a more modest -3.5% whilst the Australian stock market relatively outperformed the aforementioned markets considerably yet again, with the ASX 200 and ASX Small Ords returning -0.9% and -1.5% respectively. The MSCI Europe index only fell by -0.5% despite the ongoing conflict in the region and its flow on impacts. Worries about a China slowdown off the back of further lockdowns, slowing economic growth globally and higher interest rates in key economies appeared to weigh on investor sentiment.

Towards the end of April, the Federal Reserve commented that economic activity had expanded at a moderate pace since mid-February. Consumer spending, specifically in retail and non-financial service firms, accelerated and whilst manufacturing activity was strong overall, ongoing issues such as supply chain backlogs, labour market tightness and elevated input costs continued to be an impediment. These factors are holding up inflation although there were some reports of early signs that the pace of wage growth had begun to slow. The Federal Reserve also mentioned that its outlook on future economic growth was uncertain due to rising cost prices and the ongoing conflict in Ukraine/Russia.

To combat these inflationary pressures, the Federal Reserve began its rate hiking cycle in March and consequently Value stocks outperform Growth stocks yet again. The MSCI World Value Index returned -4.9% in April whilst the MSCI World Growth Index returned -11.9%, underperforming materially by 7%. Surprisingly, the Australian market bucked this trend with the MSCI Australia Value and MSCI Australia Growth indices returning -1.5% and +0.7% respectively.

Looking at US Small Cap companies, all sectors lost ground in April. The Consumer Staples (-1.5%), Energy (-3.1%) and Utilities (-6.6%) sectors were the best relative performers while the Communication Services (-17.2%), Health Care (-17.0%) and Information Technology (-12.2%) sectors led the laggards.

PORTFOLIO COMMENTARY

During April, the Ophir Global Opportunities Fund returned -13.1% (net of fees) versus the index which returned -2.5%. Since its inception in October 2018, the Fund has returned +16.3% p.a. (net of fees) while the index has returned +6.5% p.a.

In light of the recent short-term underperformance of the Fund, we'd like to reiterate that we are not changing our investment process in terms of how we pick stocks or the market segments we typically invest in. Our ratio of picking companies that are upgrading earnings versus companies that are downgrading their earnings remains strong and over the long term, we believe stock prices follow earnings growth.

All investment styles go through cycles and our style has faced strong headwinds in the current environment. Recently we have made some modest changes to positioning as forwarding looking indicators of global growth suggest a slowing ahead. We have decreased our consumer discretionary exposure, increased our exposure to defensive growers at a reasonable price and have favoured companies further up the market cap spectrum. Although we continue to believe in the quality and leadership positions of the underlying businesses, we are conscious that the flow of funds away from these types of companies can persist for extended periods of time.

In terms of our portfolio positioning, cash levels increased during April and the number of holdings remained constant at 37 over the month. We remain underweight in interest rate sensitive and bond proxy sectors (Real Estate, Utilities, Infrastructure).

One of the largest contributors to performance for the month was a technology-based education company listed on the New York Stock Exchange. It is the largest provider of online virtual and in school education curriculums to the US state governments and is fully funded by these states. The business continues to do well and given its revenues are government funded coupled with good growth prospects, we consider this business very much fits the mould of a defensive grower at a reasonable price.

One of the largest detractors to performance in April was a US business that we have held since its IPO in late October last year. The company is a Direct-To-Consumer business with four key product brands, with its main offering being fire pits for use at home or camping. Despite beating earnings expectations consistently since listing, the stock price has continued to fall despite the strong results and long runway for growth. It is clear that the market is less focussed on the business' strong operational performance and more focussed on the macro themes of higher interest rates and headwinds for the US consumer. With the business now trading around 5-6x P/E, we strongly believe there will come a time in the next two to three years where this business will see its valuation double or triple.

OUTLOOK

To echo the remarks by the Federal Reserve, the outlook on future economic growth is uncertain due to rising cost prices, recent lockdown in China and the ongoing conflict in Ukraine/Russia. We still expect the Federal Reserve to be aggressive with future interest rate hikes and we're closely watching how it manages inflation given it is arguably already behind in terms of normalizing monetary policy.

We continue not to pick the macro or time its impact on markets and are maintaining our focus on stocks whose operational performance continue to excel that are cheaper than ever. We have a high level of concentration in our highest conviction positions.

After a very severe correction in valuations for small cap growth orientated businesses, we believe the direction of valuations from here will be determined by economic growth and hence how current uncertainties are resolved. A slowing overall economic and corporate earnings environment suggests investors may ultimately get back to caring about company fundamentals more and finding growth given it will likely become scarcer. Our experience tells us that vicious sell offs create the best opportunities and ultimately leads to significant future returns, as long as you can handle the volatility and display patience.

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 \$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

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