

Ophir Global Opportunities Fund



FIGURES AS AT 31 JULY 2022

DATE OF ISSUE: 18 AUGUST 2022

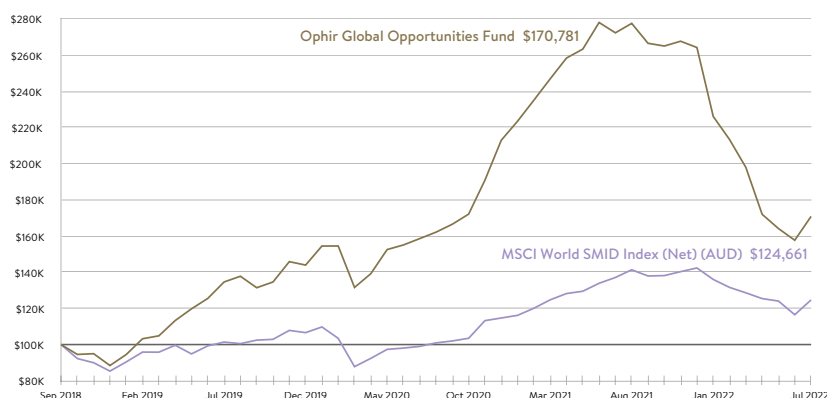
ABOUT THE FUND

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 (31 July)	Net Return Since Inception p.a.	Value Add (Gross) Since Inception p.a.	Fund Status
\$1.2523	15.0%	16.3%	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.

	Since inception p.a.	3 Year	1 Year	6 Months	3 Months	1 month
Ophir Global Opportunities Fund [^]	22.2%	13.9%	-36.4%	-23.9%	-0.3%	8.5%
Benchmark*	5.9%	6.6%	-9.1%	-8.3%	-0.6%	7.0%
Value Add (Gross)	16.3%	7.2%	-27.4%	-15.5%	0.3%	1.4%
Fund Return (Net) ^{^^}	15.0%	8.4%	-37.3%	-24.4%	-0.7%	8.3%

* 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



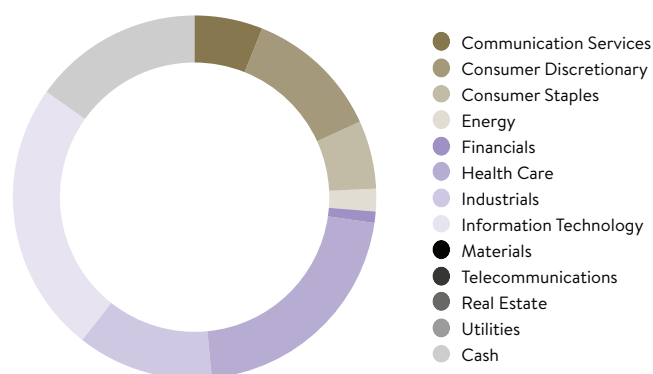
Steven Ng B Acc, CFA
Portfolio Manager
20+ years experience in financial markets, previously Paradise Investment Management and ING Investment Management

KEY INFORMATION

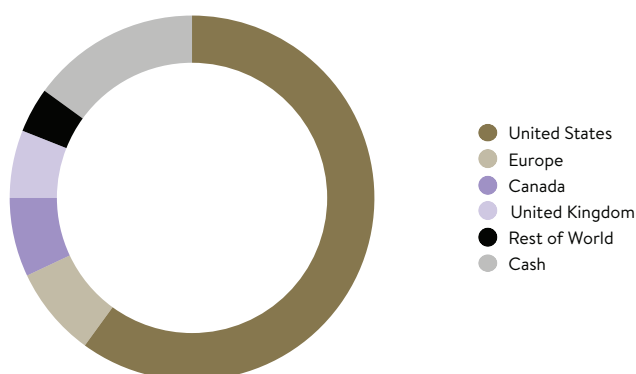
Responsible Entity & Manager	Ophir Asset Management Pty Ltd
Fund Inception	October 2018
Min Investment Amount	\$100,000
Number of Stocks	20-50
Cash Distributions	Annually
Redemptions	Monthly
Investment Objective	Outperform benchmark (after fees) over long term (5+ yrs)

ALLOCATION OF INVESTMENTS (as at 31 July 2022)

PORTFOLIO SECTOR EXPOSURES



GEOGRAPHIC EXPOSURES



PORTFOLIO CHARACTERISTICS (as at 31 July 2022)

Number of Equity Holdings	45
Cash	15.2%
Weighted Average Market Cap	\$5,646m

PORTFOLIO METRICS (as at 31 July 2022)

Price / Earnings	17.1x
EPS Growth	25.1%
Net Debt / EBITDA	-2.7

*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

Major stock markets started the new financial year delivering strong returns in July, albeit off low levels after a significant pullback in June. Large caps delivered good returns with the S&P 500 (+9.2%), Nikkei (+5.3%), ASX 200 (+5.8%) and MSCI Europe (+7.6%) returning more than 5% whilst small caps delivered even better returns with the Russell 2000 (+10.4%) and ASX Small Ordinaries index (+11.4%) returning over 10% in July. The Nasdaq was the best performer returning +12.4% over the month.

Growth stocks outperformed Value stocks for the second month in a row with the S&P 500 Growth Index outperforming the S&P 500 Value Index by 6.9% and the MSCI Australia Growth Index outperforming the MSCI Australia Value Index by 6.1%. July was a "risk on" month with growth and small caps outperforming value and large caps respectively but in our view this could just be a relief rally given some leading economic indicators continue to deteriorate.

In its latest Statement of Monetary Policy, the Reserve Bank of Australia (RBA) noted that inflation in Australia is at the highest level it has been since the early 1900s (at 6.1%) and is expected to peak at a higher level than previously anticipated. The RBA also noted that the Australian economy is expected to grow strongly over 2022, before slowing the following year albeit global growth forecasts for 2022 and 2023 have been revised down in response to the weaker outlook for real incomes and faster increases in policy rates.

Turning to the U.S., the U.S. Federal Reserve announced that inflation peeled off its 41-year high of 9.1% down to 8.5%, surprising most economists. Although this is a positive datapoint for stock market participants, President Joe Biden warned that the ongoing challenges such as the war in Ukraine and disruptions to supply chains could continue to be a headwind for inflation falling. In any case, the lower-than-expected inflation figure should be a temporary tailwind for stocks.

Looking at US Small Cap companies, the Telcos (+16.7%), Energy (+14.2%) and Materials (+12.9%) sectors were the best performers whilst the Consumer Staples (+3.5%), Utilities (+5.8%) and Real Estate (+8.1%) sectors were the worst relative performers.

PORTFOLIO COMMENTARY

During July, the Ophir Global Opportunities Fund returned +8.3% (net of fees) versus the index which returned +7.0%. Since its inception in October 2018, the Fund has returned +15.0% p.a. (net of fees) while the index has returned +5.9% p.a.

Following a tumultuous June, the market managed to find its footing and rebounded strongly from significantly oversold levels with small-cap stocks being the biggest beneficiaries. We are pleased that the Fund has managed to outperform in June, where the market fell significantly, and July, where the market rebounded significantly. We believe we have the right skew towards companies with more resilient earnings in our portfolios for the current economic environment. We continue to invest in line with our style seeking business with faster than market levels of top and bottom line growth with a stronger focus on not overpaying for that growth.

In terms of our portfolio positioning, the number of holdings increased from 42 to 45 and cash levels increased slightly in July.

One of the largest contributors to performance for the month was a \$5bn technology company listed on the New York Stock Exchange. The company provides equipment that allows Internet Service Providers (ISPs) to bring internet connectivity to homes via fibre. The business was originally known as a pure hardware company but after 15 years of development they managed to create software that enables ISPs to monitor household applications such as home audio and security – effectively making smart home products such as Google Nest redundant. The company's share price surged +66.8% in July after it announced excellent second quarter results.

One of the largest detractors to performance in July was a \$8bn company listed on the Nasdaq in the business advisory space. It provides services in areas including corporate finance & restructuring and forensic & litigation consulting. This is a business we added in recent months given its earnings are relatively shielded from a slowing economic cycle and whilst it has provided good returns in prior months, its share price fell -9.7% in July on the back of lower-than-expected second quarter performance. We believe this company's earnings characteristics are ideal in the current environment of heightened uncertainty and remains one of our key holdings.

OUTLOOK

We are pleased to see stock markets rally off their recent lows however as noted above, there is a chance this is more likely to be a relief rally rather than the start of a sustained market recovery. The U.S. Federal Reserve noted that "the outlook for future economic growth was mostly negative among reporting Districts, with contacts noting expectations for further weakening of demand over the next six to twelve months" and the RBA's comments were also not so rosy, noting that "forecasts for global growth in 2022 and 2023 have been revised down since the May Statement, in response to the weaker outlook for real incomes and faster increases in policy rates".

Nevertheless, the lower than expected inflation print and markets pricing in Fed rate cuts in 2023 have benefited stock markets. The chances of the Federal Reserve taking out enough demand from the economy without tipping the U.S. economy into a deep recession (or a "soft landing") has also increased.

During these times of uncertainty, we have increased flexibility within our Funds and remain comfortable with the portfolio holdings and their more resilient earnings characteristics as we make our way through the current earnings season.

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 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 from 2007-2011. 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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