

Ophir Global Opportunities Fund



Figures as at 30 November 2023

Date of Issue: 15 December 2023

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

\$1.2995



Net Return Since Inception (p.a.)

+11.7%



Fund Status

Enquire

Ophir Asset Management

- Ophir Asset Management is a privately owned investment management business established by founders Andrew Mitchell and Steven Ng in 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 all Ophir funds

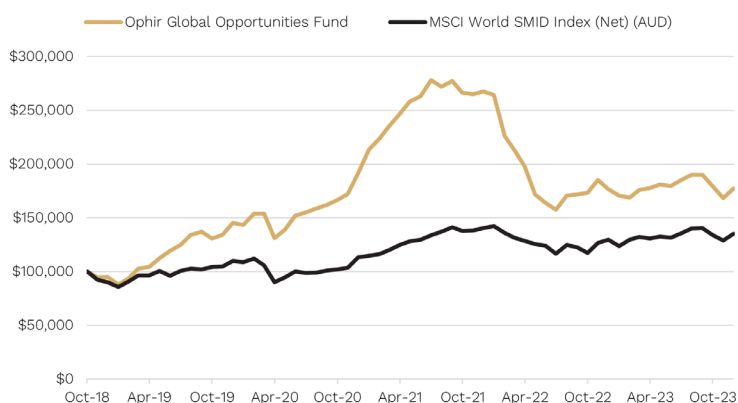


Chart represents net value of \$100,000 invested since inception and assumes distributions reinvested. Please note past performance is not a reliable indicator of future performance.

	Since Inception (p.a.)	5 Years (p.a.)	3 Years (p.a.)	1 Year	6 Months	3 Months	1 Month
Fund Return (Net)	11.7%	13.3%	-2.6%	0.4%	-1.3%	-6.7%	5.2%
Benchmark*	6.0%	8.4%	6.1%	4.4%	2.8%	-3.9%	4.8%

The figures in the table above assume reinvestment of distributions. Past performance is not a reliable indicator of future performance.

*MSCI World SMID Index (Net) (AUD)

Senior Portfolio Managers



Andrew Mitchell B Ec (Hons), MAppFin
Portfolio Manager

20+ years experience in financial markets, previously Paradise Investment Management and Commonwealth Treasury Department.



Steven Ng B Acc, CFA
Portfolio Manager

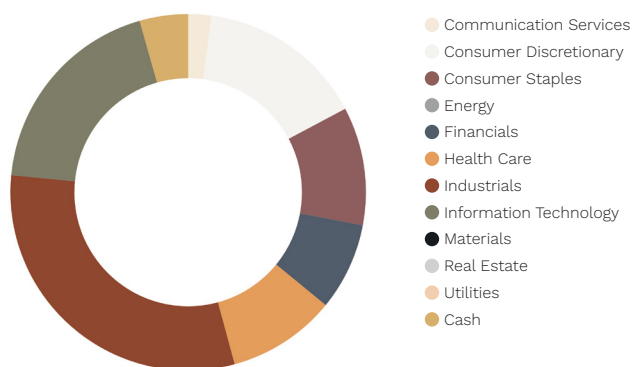
23+ years experience in financial markets, previously Paradise Investment Management and ING Investment Management

Key Information

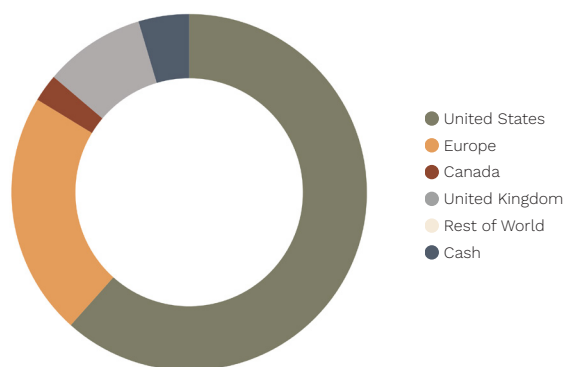
Responsible Entity:	The Trust Company (RE Services) Limited
Investment Manager:	Ophir Asset Management Pty Ltd
Fund Inception:	October 2018
Min Investment Amount:	\$100,000
Number of Stocks:	20-50
Cash Distributions:	Annually
Redemptions:	Monthly
Investment Objective:	Outperform benchmark (after fees)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

Allocation of Investments

Portfolio Sector Exposures



Geographic Exposures



Portfolio Characteristics

Number of Equity Holdings	43
Cash	4.6%
Weighted Average Market Cap	\$6.7bn

Portfolio Metrics

Price / Earnings	15.6x
EPS Growth	20.9%
Net Debt / EBITDA	0.9

*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 -10 to 10 and excludes companies with net cash and negative EBITDA. Leases have been removed from Net Debt.

Market Commentary

Global share markets bounced back in a big way in November after experiencing material falls in August through October. The tech-dominated Nasdaq index led the way, returning +10.8%, whilst the S&P 500 and Russell 2000 indices rose +9.1% and +9.0% respectively over the month. Stocks in Japan (Nikkei 225, +8.5%) and Europe (MSCI Europe, +6.5%) also posted strong returns and the same story can be said for the ASX 100 and ASX Small Ordinaries indices which returned +5.0% and +7.0% respectively.

The direction of long term bond yields has been the major force in share markets over the last few months and was once again in the driver's seat for stocks in November. The U.S. 10 year government bond yield fell by 60 basis points from 4.93% to 4.33% over the month, but interestingly the S&P 500 Value index (+9.6%) outperformed its Growth (+8.8%) counterpart by 0.8%. For the Russell 2000, Growth (+9.1%) orientated companies just barely outpaced its Value (+9.0%) counterpart.

During the month, the U.S. Federal Reserve released the latest iteration of its 'Beige Book' and noted that on balance, economic activity slowed since the prior report and that the "economic outlook for the next six to twelve months diminished over the reporting period". Demand for labour continued to ease whilst price increases largely moderated across Districts, albeit prices remain elevated. At writing market pricing suggests the U.S. Federal Reserve is finished with its current interest rate hiking cycle.

Looking at U.S. Small Cap companies, the Information Technology (+12.7%), Consumer Discretionary (+11.2%) and Health Care (+10.5%) were the best sectors whilst the Energy (-2.8%), Utilities (+5.2%) and Communication Services (+5.5%) sectors were the worst relative performers.

Portfolio Commentary

During November, the Ophir Global Opportunities Fund returned +5.2% (net of fees) versus the index which returned +4.8%. Since its inception in October 2018, the Fund has returned +11.7% p.a. (net of fees) while the index has returned +6.0% p.a.

In terms of currency movements, the AUD appreciated against the USD by +4.2% over the month which was a headwind for absolute performance of the Fund.

In terms of portfolio positioning, the number of holdings crept lower to 43 and cash levels fell to 4.6% in November.

To close off the Q3 reporting season, 57% of the Fund beat expectations, 23% provided results in line with expectations and 19% missed expectations. In terms of guidance, 57% of the Fund raised, 27% maintained, 9% downgraded and 6% didn't provide guidance. These figures have been reweighted to only include stocks that reported in the latest reporting season.

One of the largest stock contributors to performance during the month was an AUD \$3.7bn organ transplant technology company that utilises in-house surgeons and FDA-approved technologies to extract and deliver organs. The company's share price was heavily off in preceding months due to concerns over growth rates in its heart division and an acquisition of an aviation business but reported an earnings beat and upgraded guidance which saw its share price rise +102% in November.

One of the largest stock detractors to performance during the month was an AUD \$4.0bn business that delivers meal kit solutions. The business experienced production issues in one of its factories during the period whilst also identifying higher acquisition costs for its customers. The company's share price fell -31.8% in November.

Outlook

We are approaching what many believe to be a critical point of the cycle where the soft or hard landing debate will finally be settled in the United States, with ramifications for the rest of the global economy. Global economic growth is expected to slow, impacting company earnings, but the key question is by how much. We believe a material slowing is already priced into global small caps as a whole.

We remain comfortable with the balanced positioning of the portfolio for the current environment, which we believe is positioned well for a range of potential outcomes. The main bias continues to be towards companies with greater earnings visibility given the uncertain macro backdrop.

We continue to monitor several economic and market indicators and when we feel the time is right, we will deploy capital into a growing list of cyclical growth companies that should benefit significantly when liquidity returns to the small end of stock markets.

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.

The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235150 (Responsible Entity) is the responsible entity of Ophir Global Opportunities 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 issued 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 your 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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