

# Ophir Global Opportunities Fund



Figures as at 30 November 2024  
Date of Issue 10 December 2024

APIR Code OPH2093AU

## About The Fund

The Ophir Global Opportunities Fund (the 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	Net Return Since Inception (p.a.)	Fund Status
\$2.0141	+17.8%	Enquire

## Ophir Asset Management

- 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 propriety 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, with Senior Portfolio Managers substantial investors in the Fund

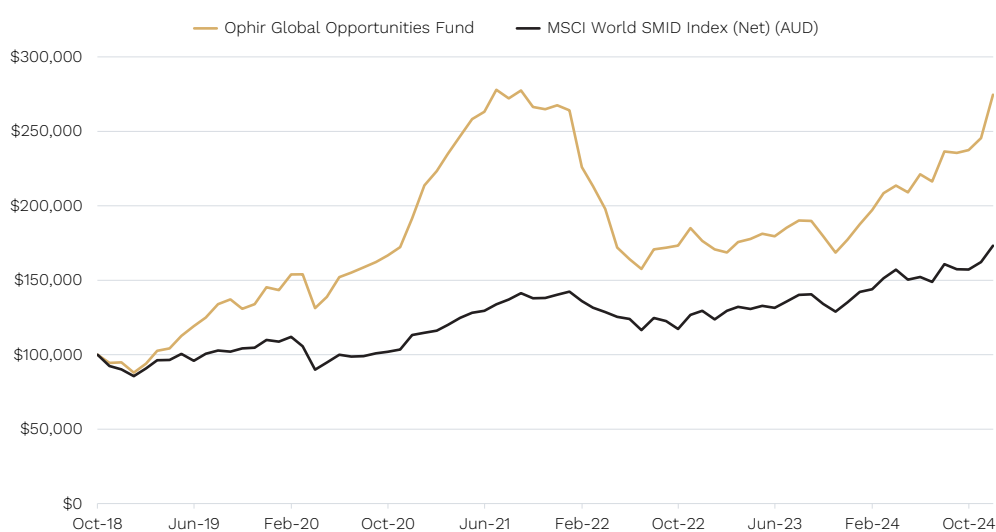


Chart represents net value of \$100,000 invested since inception and assumes distributions reinvested. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using NAV prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. \*The Fund's benchmark is the MSCI World SMID Index (Net) (AUD).

	Since Inception (p.a)	5 Years (p.a)	3 Years (p.a)	1 Year	3 Months	1 Month
<b>Fund Return (Net)</b>	<b>17.8%</b>	<b>13.6%</b>	<b>0.9%</b>	<b>55.0%</b>	<b>16.6%</b>	<b>11.9%</b>
Benchmark*	9.3%	9.5%	7.3%	28.2%	10.0%	6.8%

The figures in the table above assume reinvestment of distributions. Performance figures are calculated using the Net Asset Value (NAV) of the Fund as at 31 October 2024, not the market price. 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 | Founder and Portfolio Manager  
20+ years experience in financial markets, previously Paradise Investment Management and Commonwealth Treasury Department.



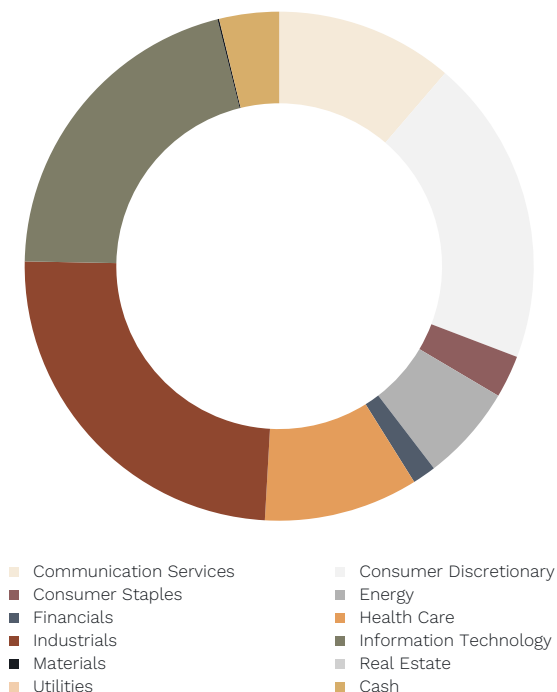
**Steven Ng**  
B Acc, CFA | Founder and Portfolio Manager  
23+ years experience in financial markets, previously Paradise Investment Management and ING.

## Key Information

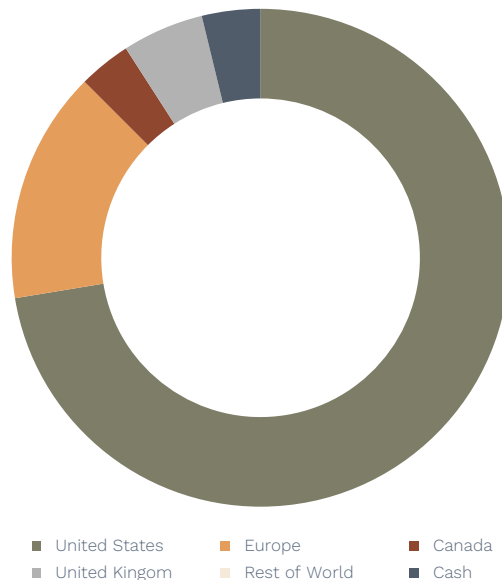
<b>Responsible Entity</b>	The Trust Company (RE Services) Limited
<b>Investment Manager</b>	Ophir Asset Management Pty Ltd
<b>Fund Inception</b>	October 2018
<b>Number of Stocks</b>	20 - 50
<b>Cash Distributions</b>	Annually
<b>Redemptions</b>	Monthly
<b>Investment Objective</b>	Outperform benchmark (after fees) over the long term (5+ years)

## Allocation of Investments

Portfolio Sector Exposures



Portfolio Geographic Exposures



## Portfolio Characteristics

Number of Equity Holdings	48
Cash	3.8%
Weighted Average Market Cap	\$5.7bn

## Portfolio Metrics

Price / Earnings	18.3x
EPS Growth	24.5%
Net Debt / EBITDA	0.6x

\*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

November was a busy month. Donald Trump was elected as the 47th President of the United States, sending U.S. stocks up and global currencies depreciated against the greenback on the election result. Gold fell on the election results but regained ground later in the month. China announced a RMB 10 trillion (\$1.4 trillion USD) stimulus package to address economic challenges.

The major U.S. indices rallied across the board, with the Russell 2000 nearing its all time high from November 2021. Small-caps outperformed large-caps, with the Russell 2000 Index gaining +10.9% while the S&P500 lagged with a gain of +5.8%.

Specifically, small-cap growth outperformed small-cap value with the Russell 2000 Growth gaining 12.2% while Russell 2000 Value rallied 9.6%. Meanwhile, in large-cap land, growth outperformed value with the S&P500 Value Index slightly behind its growth counterpart, S&P500 Growth Index – 5.8% to 5.9% respectively.

At a sector level, global small-cap Tech (+14.5%), Industrials (+14.2%) and Financials (+13.3%) performed best, while Real Estate (+5.0%), Healthcare (+5.8%) and Materials (+7.4%) were the worst relative performers.

Chinese equities (MSCI China) fell -4.3% due to the stimulus package not meeting market expectations as well as the threat of further trade tariffs from Trump. Europe and UK indices lagged with the FTSE100 and Dax Index return low single digits – 2.6% and 2.8% respectively.

Closer to home, the Australian market ended the month up, with the ASX200 gaining +3.9%. This beating the ASX Small Ords gain of +1.3%.

In policy news, the Federal Reserve and Bank of England both cut their target interest rates by 25bps to 4.75% each. While the RBA held the policy rate steady at 4.35%. The market is expecting further cuts into 2025 for the U.S. as economic data has been resilient with a US GDP of 2.8% indicating a higher growth outlook than other developed market economics.

## Portfolio Commentary

During November, the Ophir Global Opportunities Fund returned +11.9% (net of fees) versus the index which returned 6.8%. Since its inception in October 2018, the Fund has returned +17.8% p.a. (net of fees) while the index has returned +9.3% p.a.

The number of holdings increased to 48 and cash levels increased to 3.9%. In terms of currency movements, the AUD depreciated -1.1% against the USD over the month, assisting the AUD performance of the global funds.

One of the largest stock contributors to performance during the month was a \$2.6bn AUD sports data and technology company that remains a top holding in the fund. The company's share price rallied +45.5% over the month from Q3 profit and revenue beats. It raised revenue guidance as well. It is a relatively defensive stock for a soft market but will also run if consumer discretionary rallies.

One of the largest detractors to performance during the month was a \$9.3bn AUD vertically integrated French-based company, which provides multi-technical services in the areas of energy and communications. The stock was down -10.0% due to disappointing earnings results. The stock is now trading at 11x earnings which increases the value optionality of the stock from our perspective.

## Outlook

Post the U.S. election, the market is still pricing in rate cuts from the Fed into 2025 despite the risk of higher inflation stemming from Trump's policies. The U.S.'s aggressive stance towards international trade is likely to weigh on global growth, with developed economies broadly affected and China forecasted to be particularly impacted.

U.S. economic growth is expected to continue to be higher than other developed economies, supported by strong consumer spending and a stronger than expected labour market, as evidenced by recent jobless claims data.

December is a seasonally strong month for equity markets which appear positioned for largely pro-growth policies expected from a new Trump Administration. Little looks in the way of disrupting this near term, though we await to see the exact policy mix coming from the new U.S. government early in 2025.

The portfolio remains balanced with a mix of cyclical and defensive growth companies, focusing on businesses with resilient earnings. We have incrementally increased the portfolios leverage recently to macroeconomic growth as the outlook for U.S. soft landing and rate cuts remains, whilst political uncertainty in the post the U.S. election has been resolved. We believe this positioning is appropriate in the current market environment. Furthermore, smaller growth companies continue to trade at a discount relative to large caps, presenting opportunities for the portfolio.

## 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.

### Investor Services

Automic Group | 02 8072 1478  
ophir@automicgroup.com.au

### Investment Enquiries

Luke McMillan (Head of Research)  
02 8072 1478 | luke.mcmillan@ophiram.com

The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235150 (Responsible Entity) is the responsible entity of Ophir High Conviction 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 authorised for release 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 judgments 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