Lonsec

Recommended

Ophir Global Opportunities Fund - Class A

OPH2093AU **Author:** Michael Coles **Published:** 26 Mar 2026

Data is provided by the manager at 30 Jun 2025, and currency in AUD, unless otherwise stated

Refer to glossary for definition of the rating

Product Review

About this Product

Investment manager	Ophir Asset Management Pty Ltd
Benchmark	MSCI World SMID Cap NR Index AUD
Product structure	Managed Fund
Product size	$611.00m
Inception date	Oct 2018
Asset class	Global Equities
Sector	Global Smaller Companies
Peer group	Core
Rated peers	21

Product Characteristics

Business Life Cycle	Growing
Product Wind-Up Risk	Low
Key Person Risk	High
Tenure of Decision Makers	High
Complex (RG240)	No
Strategy Remaining Capacity	$1.40b
ESG Approach	Risk or Value
Peer Relative Fees and Costs	Above median

Annual Fees and Costs (% p.a.)

Management fees & costs	1.43
Performance fee costs	2.74
Net Transaction Costs	0.55
Buy/Sell Spread	0.35/0.35
Annual fees and costs	**4.72**

Source: FE fundinfo, PDS Date: 10/Jul/2025

Product Opinion

Following its review, the Fund has retained its **'Recommended'** rating. The Fund is managed by a team with high quality senior investment professionals employing a well-structured and repeatable investment process. The added breadth with team members based in the USA is a key competitive advantage versus many other Australian-based peers. The portfolio is differentiated against peers and capable of generating meaningful excess returns, achieving considerable outperformance since its inception. However, its small cap bias has also made it prone to significant drawdowns and periods of underperformance. Fees are high relative to peers.

Lonsec Rating Model

Rating key: ●●● Above ●●○ In-line ●○○ Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	↑
Process	●●●	—
ESG	●●○	—
Product	●●●	—
Fees	●○○	—
Performance	●●●	↑

Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

Return Profile

Income		
Capital		
	Defensive	Growth

Strengths

- Investor alignment is strong within the investment team, particularly for the senior portfolio managers who co-founded the firm and invest substantially in its investment strategies.
- The investment team consists of high-calibre investors sharing considerable co-tenure at senior levels, as well as a U.S.-based team that contributes considerably to research and company meetings.
- The Fund's logical investment process is consistently applied and well suited to global small and mid cap equities.
- The investment strategy has comfortably outperformed its benchmark since inception, albeit this has included extended periods of both positive and negative relative performance.

Weaknesses

- The investment team have competing responsibilities across multiple strategies, albeit using the same investment approach.
- The total fee load is high for a 'long-only' small and mid cap equities strategy, and the performance fee structure could be better aligned with performance objectives.
- The Fund is prone to significant drawdowns and lengthy periods of underperformance relative to the benchmark, which is to be expected given the small cap bias and concentrated nature of the strategy.

Key Facts

Key Objectives

Investment objective	The Fund aims to generate long-term returns in excess of the MSCI World SMID Index (Net) (AUD) (after fees and before tax) and provide consistent sustainable returns for its investors.
Internal return objective	Excess return of 15% p.a. (gross) over rolling five-year periods.
Internal risk objective	Aiming for a standard deviation of returns less than 25% p.a.

Asset Allocation (%) (as at 31/12/2025)

International Equities	95.3
Cash	4.7
Total	**100.0**

Source: FE fundinfo

Rating History

11-Mar-2025	Recommended

Product Distribution Profile

Frequency	Annually
Last Missed Distribution	30 June 2024
Number of Missed Distributions in the last 5 years	3
AMIT Election	Yes
TOFA Election	No

Top 10 Holdings (as at 31/12/2025)

	Weight (%)
EXOSENS SAS	3.700
PDF SOLUTIONS INC	3.600
RED VIOLET INC	3.500
V2X INC	3.400
AAR CORP	3.200

Source: FE fundinfo

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Performance Analysis - annualised after fees at 31/12/2025

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	25.66	14.46	35.05	19.19	26.07	19.17	9.86	10.77
Standard deviation	13.78	9.70	14.56	12.26	14.25	11.71	17.44	12.48
Excess return (% p.a)	15.75	4.13	19.85	4.16	10.97	4.04	-0.57	0.38
Outperformance ratio (% p.a)	58.33	58.33	70.83	58.33	63.89	55.56	56.67	55.00
Worst drawdown (%)	-6.95	-6.82	-6.95	-6.87	-11.34	-8.94	-43.30	-19.97
Time to recovery (mths)	1	-	1	NR	3	-	31	-
Sharpe ratio	1.57	0.96	2.12	0.92	1.54	1.12	0.41	0.57
Information ratio	1.89	0.76	2.63	0.45	1.38	0.49	-0.05	0.32
Tracking error (% p.a)	8.35	4.79	7.55	5.33	7.94	5.56	11.08	5.74

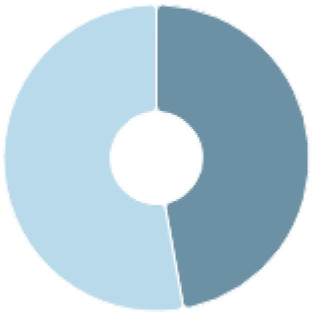
Lonsec Peer Group: Global Equities - Global Smaller Companies - Core
Product Benchmark: MSCI World SMID Cap NR Index AUD
Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD
Time to recovery: NR - Not recovered, dash - No drawdown during period

Business

Facts

Investment Manager	Ophir Asset Management Pty Ltd
Ultimate Parent Company	Ophir Asset Management Pty Ltd
Headquarters	Sydney
Inception Date	Mar 2012
% Staff Ownership	100

AUM



Governance

% Independent board members	0
% Female board members	0
Independent chair	No
CEO as Chair	No
Separate Audit Committee	No

Metrics

Total AUM	$3.0b
Investment Management Headcount	22
Investment Professionals	12
Sales & Service	10
Distributor	Self

Who is the Manager?

The Manager is an Australian 'boutique' firm that offers global and domestic equity products to retail, wholesale and institutional investors. Ophir Asset Management was established in March 2012 as a specialist mid and small cap equities investment management business. The business is wholly owned by the Directors and Senior Portfolio Managers, Steven Ng (50%) and Andrew Mitchell (50%).

Lonsec Opinion

Profitability

The Investment Manager is considered to be a well-known and established asset management firm, with current assets under management (AUM) making it one of the larger domestic Small Caps managers across Lonsec's universe. At these levels of AUM, Lonsec considers the Manager to be in a strong financial position with no profitability concerns, including on a management fee-only basis.

Business Track record

Ophir has a solid track record in delivering investment products and managing portfolios since inception. The firm expanded into global equity small cap strategies in 2018, and while much of its existing investor-base and commendable track record is within the Australian equity small cap space, the firm's global equity capability continues to build its own credible track record.

Business Ownership

The ownership structure of the firm is viewed favourably given equity is held by co-founders of the business. While a broader spread of equity ownership across employees would be viewed as a positive, the current ownership structure still aligns the co-founders and Senior Portfolio Managers as long-term investors whose own investment horizon matches that of investors in the underlying funds, thus promoting the preservation of the firm's investment culture.

Business Governance

Ophir demonstrates multiple layers of compliance and risk monitoring, with no regulatory issues in recent history. While the board of directors lacks independent representation or a separate audit committee, the firm's governance framework is otherwise sound and in-line with many similar boutique investment managers.

Team

Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Andrew Mitchell	CIO	No	2020	22/13	22
Steven Ng	CIO	No	2020	26/13	25

KDM Change*

No changes.

* Last 3 years

Profile

Size	11
Structure	Decentralised
Turnover	Medium

Alignment

KDM equity held in manager	Yes
KDM co-investment in strategy	Yes
Performance-Based bonus	No
Long term incentive plan	Yes

Resources

	Number	Average Years Experience
Key decision makers	2	24
Portfolio Managers	3	16
Hybrid portfolio manager/ analysts	1	23
Dedicated analysts	3	9
Dedicated dealers	2	18
Quantitative		
ESG/Sustainability		
Macro		
Investment Specialists		

Who is the Team?

Ophir's investment team is led by Senior Portfolio Managers, Andrew Mitchell, and Steven Ng, who also serve as key decision makers ('KDMs') for the Fund. Both individuals possess over two decades of industry experience and were the firm's co-founders in 2012. While all team members provide important input to stock research, idea generation and portfolio decisions, Mitchell and Ng are ultimately responsible for the Fund's performance which is a common feature of all products offered by Ophir. The investment team consists of 11 members, including the two senior PMs, Head of Research, three PMs, three dedicated investment analysts and two equity dealers.

While Mitchell and Ng are based in Sydney, five members of the team including two Portfolio Managers are based in Denver, Colorado, a location chosen for its proximity to local industry and its role as a transport hub for national and international air travel. This U.S.-based team undertakes significant travel for company meetings and, along with Mitchell and Ng, are responsible for the research supporting the Fund. All team members are considered generalists and undertake company research concurrently for the Australian and Global equities strategies respectively. The team oversees an investment universe of approximately 680 actively researched stocks.

Team *(continued)*

Lonsec Opinion

Skill

Both Mitchell and Ng are viewed as quality investors with sound insights and credentials, noting their enthusiastic passion for mid and small-cap investing. While the background of much of the team is grounded in Australian equities, the senior team members have now been managing this and other similar global strategies for a meaningful period. Confidence continues to grow in the senior members of the U.S.-based team, and their presence on the ground and proximity to major markets is considered a key differentiator to many other Australian-based global equity managers.

Team Size

The team is viewed as appropriately resourced to manage the strategy, particularly following the addition of another analyst and an experienced trader to the Denver-based team. While members of the team hold responsibilities across both the Australian and Global equities capabilities, both of which have an Opportunities and High Conviction iteration appearing to represent an elevated workload, there tends to be a high commonality within the Australian and Global products respectively. Moreover, all portfolios are expected to be concentrated with the maximum number of holdings being either 50 or 40 securities. The quality and growth bias also serves to narrow the respective universes, further easing concerns on the team’s workload.

Track Record/Co-Tenure

The co-tenure among senior members of the firm aligns with global equity peers, bolstered with KDMs Mitchell and Ng having worked together since the fund's inception and also prior to co-founding Ophir. Overall co-tenure is somewhat reduced by turnover within the broader investment team over recent years, however Lonsec notes there have been no material departures since the previous review. The team continues to build their track record beyond Australian equities with a period of successful management of this and other similar global equities strategies.

Alignment

The Manager possesses many of the positive attributes common to boutique structures such as material co-investment in the product and investment team equity ownership in the firm. These traits instill a relatively high degree of alignment of interests between the Manager and end investors and is considered a positive feature of the offering. That said, there is a preference for equity ownership to be spread among other key senior individuals within the team, with members of the broader Ophir investment team being remunerated through a base salary and performance-based discretionary bonus.

Key Person Risk

There is high key person risk associated with Mitchell and Ng as the key architects in the development of the Manager’s strategy and investment approach. This risk is partly mitigated by their equity ownership in the business and significant co-investment in the funds, as well as the co-Portfolio Manager structure. Nevertheless, if either Mitchell or Ng were to cease involvement in the strategy the current rating would likely be reviewed.

Process

What is the Investment Process?

Ophir utilises a fundamental bottom-up approach underpinned by the belief that significant opportunities for identifying mispriced securities lies within the mid and small market cap segments. The Manager’s stock research has a strong emphasis on identifying high quality companies with quantitative screening being a key driver. The team assess opportunities for key business drivers, financials, earnings and cash flow strength, company management, competitive positioning, and industry trends. The Manager evaluates company upside and downside risks through a balanced score system of multiple criteria such as earnings trajectory, valuation, management strength and key stock and sector risks, including ESG risks.

Within this Fund, the high conviction approach to the Manager's Global High Conviction Fund is augmented with the inclusion of additional holdings in companies that are considered insufficiently liquid to be held in that more concentrated strategy. As such there will typically be 20-50 stocks in this portfolio. Portfolio construction decisions are determined by Mitchell and Ng with active positions based on conviction in the investment thesis, the balanced score system and valuation upside, whilst being cognisant of total portfolio risks. Liquidity is also carefully considered particularly with regard to the smallest companies. The Fund is unconstrained with most limits being soft guidelines.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Type	Fundamental
Investment Approach	Bottom-up
Investment Style	GARP
Typical market cap	Small Mid
Minimum market cap	$500m
Available Universe	Companies with a market cap between $500m to $50bn AUD.

The investment process is well aligned with the Manager's philosophy that bottom-up, fundamental research is the primary driver in identifying value in smaller, less researched, structural growth stocks. Ophir's continued ‘Quality-Growth’ approach has been applied over varying investment cycles, is highly applicable to the fund’s universe and is consistent with the long-term outperformance objective.

Research Process

Key screens	Balance Sheet, Earnings, Liquidity, Market Cap, Region
Screened universe	680
Idea generation	Financial market data, Economic data, Newsflow/Events, Expert networks, Direct outreach, Brokers
Stocks researched	680
Annual manager meetings	1500
Key research inputs	Financial statements, Company meetings, Company data, Industry data, Sell-side reports, Expert networks
Primary valuation approach	Price multiples

The Manager’s investment process is detailed and consistently applied. The diversity of ideas and emphasis on quantitative screening paired with initial stock assessment effectively narrows the investment universe and allows the Manager to evaluate the ‘quality’ for each company. Ophir's valuation methodologies and explicit consideration of potential upside and downside risks for each stock is considered pragmatic and is directly linked to portfolio construction. The team incorporates external systems and sources, such as sell-side research, however the majority of intellectual property is developed internally.

Additionally, Ophir’s extensive visitation program with company management and on-site visits adds to the breadth of the research effort. Ophir’s international relationships, such as with brokers and company management teams, continue to build given the team’s presence in the USA, a key differentiator in comparison to their Australian-based peers.

Process *(continued)*

Portfolio Construction

Portfolio management structure	Multi PM
Approach to benchmark	Benchmark Agnostic
Typical security numbers	40
Typical securities range	20-50
Typical portfolio turnover p.a.	150.00%
Typical active share	Not provided

The portfolio construction process has direct links to the Manager's investment process. However, is less systematic than some of its peers and is highly dependent on the two lead senior portfolio managers. The process takes the Manager's highest conviction portfolio and adds satellite positions in companies which are considered too small in terms of market capitalisation to be held the firm's other more concentrated strategies. As such the Fund invests further down the market cap spectrum and can access stock ideas that are unique but aligned with the Manager's investment philosophy.

While these smaller companies provide some degree of additional diversification, they do introduce additional risk particularly with regard to liquidity. As such trading volume and market capitalisation are important considerations in portfolio weighting decisions, and positions in these stocks are moderated accordingly. The Manager takes a consistent and structured approach to sell decisions within the portfolio, via the review of the balanced score card during thesis review or valuation fluctuations.

Capacity Management

Capacity guidance	$2.00b
Strategy AUM	$600.00m
Portfolio liquidity (1 week)	79.40%
Substantial holdings by manager	Not stated
Strategy previously closed	Previously soft closed

The stated capacity for the Fund is viewed as conservative and appropriate given the high degree of commonality between the Global High Conviction and Global Opportunities strategies. This is also considered to help temper the prospect of the Fund venturing into companies with larger market cap in search of liquidity. Ophir has demonstrated strong capacity management discipline in across its strategies, having previously hard closed the Global Opportunities strategy and soft closed the Global High Conviction strategy.

Investment Risk Management

Monitoring external to investment team	No
Frequency of monitoring	Monthly
Primary risk management system	Bloomberg
Security Limits (Min./Max.)	Soft: Absolute 0-12%
Sector Limits (Min./Max.)	Soft Limit: 0-20% Benchmark Relative
Country Limits (Min./Max.)	Soft Limit: 0-20% Benchmark Relative
Cash Allocation (Typical, Max.)	5%, 25%

Risk management is embedded in the investment process due to the Manager’s strong bias and preference for investing in high quality companies. The Manager’s risk controls are similar to most peers in this sector. Risk limits are moderately restrictive and aligned with the high conviction, benchmark unaware approach. The level of active risk in the portfolio is expected to be high, with any single holding able to represent up to be 12% of NAV. Industry standard tools are utilised by the investment team to monitor the portfolio’s exposures and risk factors whilst the team utilise additional sources such as the RE for further support. Overall, the existing framework is deemed sufficient, ranking largely in line with peers of a similar firm size.

ESG

Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Risk or Value
Sustainability thematic	No Sustainability Thematic
Non-financial objective	None

What is the Manager's ESG approach for this product?

The Manager has indicated that their Responsible Investment style is "ESG Integration" and as such that they take Environmental, Social and Governance factors into consideration when assessing investment opportunities. With a primary ESG style of "Risk or Value" Managers will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result this approach may mean that lower quality ESG companies may be included if the return potential is sufficient and this may conflict with some clients perception of what a strong ESG process would deliver.

Sustainability Score

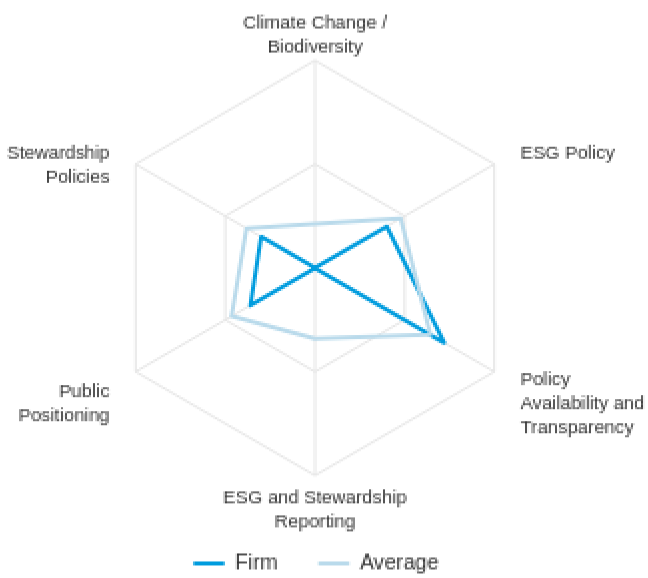
No score.

Lonsec Opinion & Supporting Facts

Overview

ESG Process Score	Mod

ESG Snapshot



Manager Level Approach

The Manager’s overall ESG policy framework and disclosure lag behind peers. While there is an articulated commitment to the integration of ESG within their investment process, there is little evidence in their public positioning. The Policy Availability score reflects this, as only the ESG policy is publicly disclosed while the proxy voting policy is not. Similarly, the lack of public reporting on voting and engagement outcomes reduces transparency and contributes to lower ESG and Stewardship reporting scores.

Product Level Approach

The Manager accesses only a limited range of ESG data as part of its research effort. The Manager demonstrates a basic ESG research element in their investment process. Research outputs are clear and useful for a structured approach to investment decision incorporation. There are clear links to the stock selection process through an unstructured adjustment of the appropriate discount rate based on, among other factors, ESG scores. Portfolio monitoring is robust with the Manager using proprietary scores to monitor the overall ESG risk in the portfolio. ESG factors contributions are targeted by the strategy. Engagement is a clear component of the Manager's approach and is managed with a structured engagement prioritisation process.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such, the alignment review does not apply to the product and thus scores its risk of misalignment as N/A.

Product

Service Providers

Responsible entity	The Trust Company (RE Services) Limited
Investment manager	Ophir Asset Management Pty Ltd
Custodian	Citigroup
Administrator	Citigroup
Fund Auditor	Ernst & Young
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	$611.00m
Fund 12-month net flows	Negative
Distribution model	Internal
Buy/sell spreads	0.35%/0.35%
Investment structure	Direct
Product type	Registered Managed Investment Scheme (Unitised)
Currency hedged	No
Use of derivatives	No

What is the Product Structure?

The Fund is an Australian unit trust and is currency unhedged. The Trust Company (which is wholly owned by Perpetual Limited) acts as the Responsible Entity (RE) and has appointed Ophir Asset Management as the Investment Manager of the Fund. It is offered in three classes; Class A and H providing monthly liquidity with Class A being currency unhedged and Class H being hedged, and currency unhedged Class B offering liquidity daily, and only being available on select investment platforms.

The Fund is a long only Global Equity product that can only invest in SMID-caps. It shares many similarities with the Ophir Global High Conviction Fund, being offered on similar terms and managed by the same team employing the same investment process. However the Global Opportunities Fund includes additional holdings in some smaller market cap stocks.

Lonsec Opinion

Service Providers

The Manager has engaged large 'tier 1' service providers for critical functions such as custodial, administration, auditing, and broking services. The external RE, which is considered best practice, has built experience in operating and managing a number of schemes over a reasonable period and is expected to have a sufficient governance framework in place to deal with any perceived conflicts of interest.

Operational 'Red Flags'

The Fund is a relatively straight forward Global equity strategy investing in SMID-cap stocks with a focus on developed markets. The Fund is able to hold positions in companies with a market capitalisation below $500m, which may lack sufficient liquidity to be sold without loss of value during times of market stress.

Wind-up Risks

Wind-up risk for the Fund is low given the current level of assets and the Manager's credible distribution capability, noting that the Fund was previously hard-closed to new investment having reached its capacity limit.

Fees

Annual Fees and Costs (% p.a.)

Management fees & costs	1.43
Performance fee costs	2.74
Net Transaction Costs	0.55
Buy/Sell Spread	0.35/0.35
Annual fees and costs	**4.72**

Source: FE fundinfo, PDS Date: 10/Jul/2025

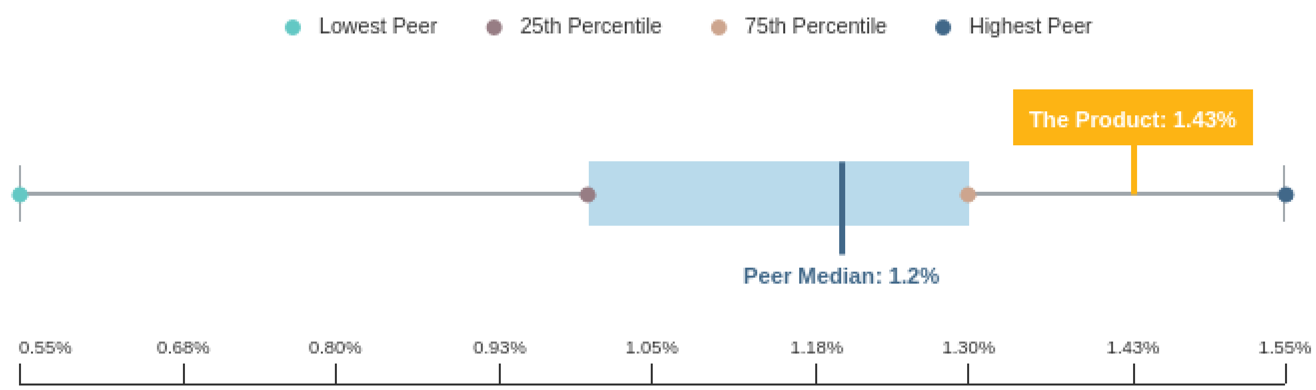
Performance Fees

Applicable	Yes
Hurdle type	Benchmark Relative
Hurdle	MSCI World SMID Index (Net) (AUD)
Rate	20.5%
Fee capping	No
High watermark	Yes
Above high watermark	Yes
Reset Allowed	Yes

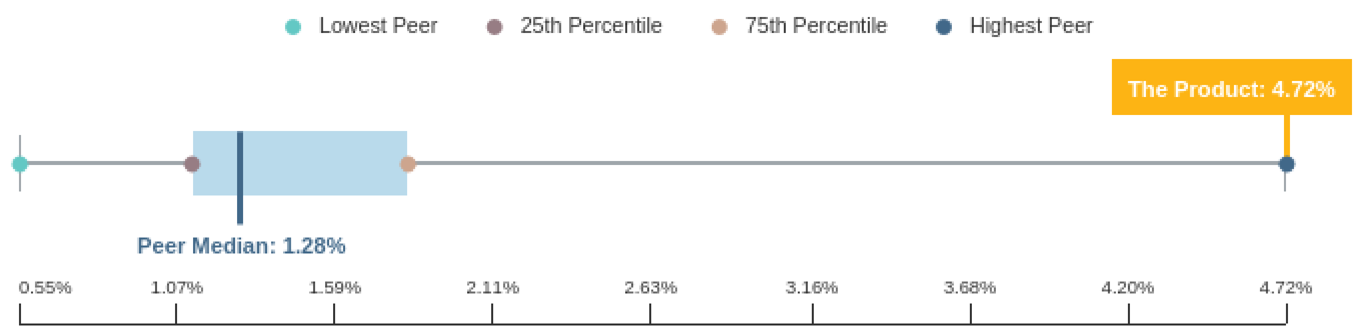
Fees Explained

The management fee of 1.43% p.a. is comprised of a 1.23% p.a. management fee and 0.20% p.a. ordinary expenses. The performance fee is calculated as 20.5% of excess returns relative to the benchmark after fees. It has a ‘high watermark’ with a reset period that may be triggered when no fee has been paid over three years and at the discretion of the RE. If the cumulative accrued performance fee is negative for any performance period, the Fund will need to make up this underperformance before a fee is payable. The stated performance fee of 2.74% p.a. is an estimate and will vary dependent on performance of the strategy.

Management Fees and Costs Peer Comparison



Annual Fees and Costs Peer Comparison



Peer Universe: Global Equities - Global Smaller Companies - Core

Lonsec Opinion

Annual Fees and Costs

The total estimated fee load for the Fund is expensive relative to peers. This is attributable to both the management fee and higher disclosed performance fee, reflecting historical performance of the strategy.

Fairness

The total fees for the Fund are higher in comparison to peers and while performance fees are uncapped, the capacity constrained nature of the Fund provides an element of justification. However, an additional alpha hurdle and the removal of the high watermark reset period should be considered as ways to improve overall fairness.

Performance

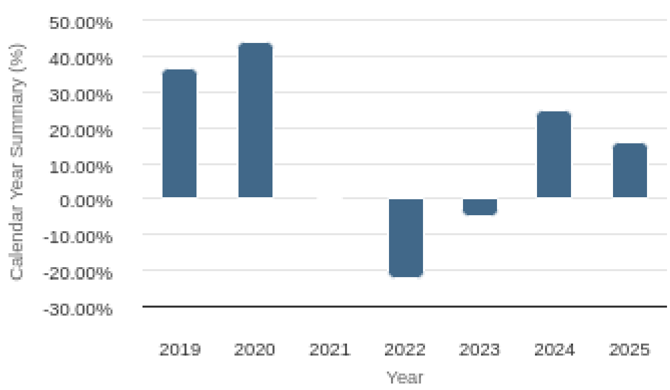
Performance Summary

PDS return objective	The Fund aims to generate long-term returns in excess of the MSCI World SMID Index (Net) (AUD) (after fees and before tax) and provide consistent sustainable returns for its investors.
Internal return objective	Excess return of 15% p.a. (gross) over rolling five-year periods.
Internal risk objective	Aiming for a standard deviation of returns less than 25% p.a.
Product benchmark	MSCI World SMID Cap NR Index AUD
Lonsec peer group	Core

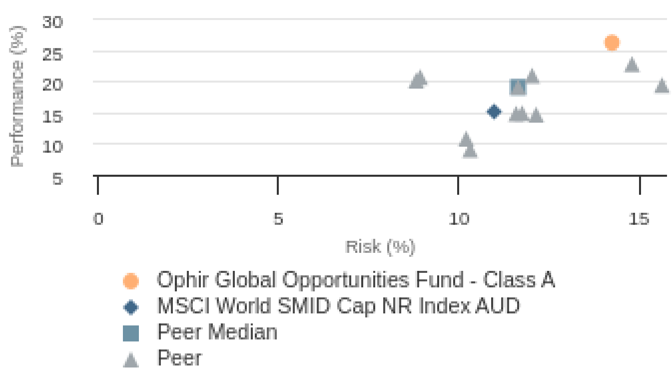
Alpha Generation

The Fund has materially outperformed its benchmark since inception and over the one-, three- and seven-year periods to December 2025. Stock selection is noted as the key driver of outperformance over the previous 12-months, and the return profile has been consistent with the Fund's highly active nature and small-cap bias. Over five-years the Fund trails its benchmark, reflective of the potential for periods of both strongly positive and negative relative performance. However, performance over other key short and long-term timeframes is top quartile amongst peers.

Calendar Year Excess Return



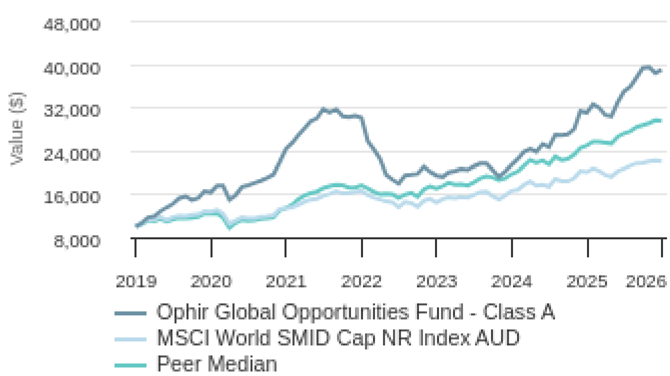
3 Year Risk and Return



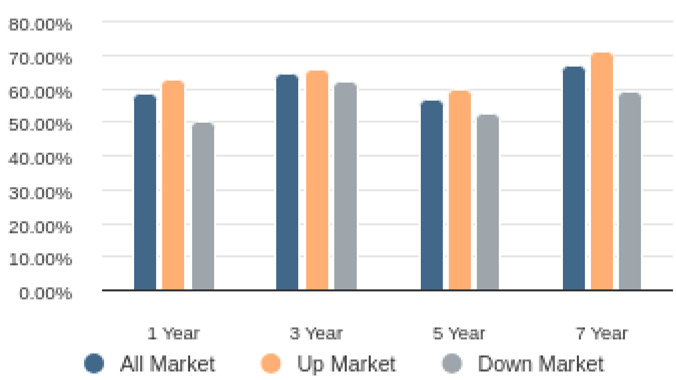
Alpha Consistency

Excess returns for the Fund have been episodic in nature, with periods of strong outperformance being accompanied by similarly significant periods of underperformance. This is reflected in the Fund's five-year returns remaining below benchmark due to the significance of underperformance that occurred early in that period. However, the subsequent improvement in consistency is noted and the Fund exceeded its benchmark over the three-years to December 2025. Also of note is the length of the track record, which at over seven years is longer than many peers and demonstrates consistency of process application. Performance over that time has tended to be more consistent during rising markets than through periods of market weakness.

Growth of $10,000 Over 7 Years



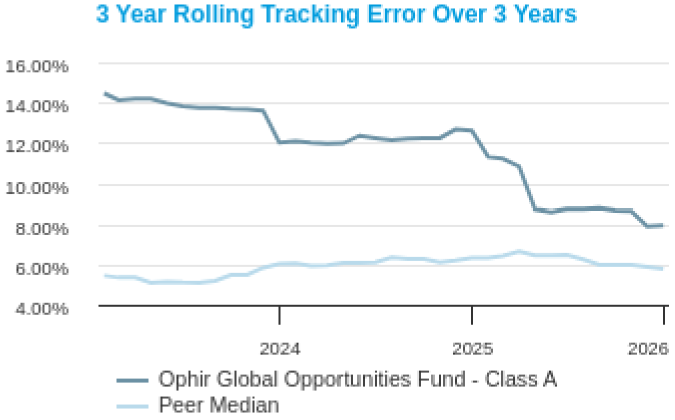
Returns Consistency

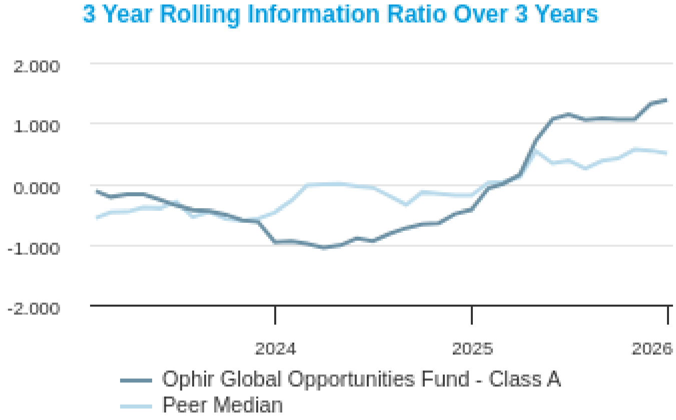


Performance *(continued)*

Benchmark Relativity

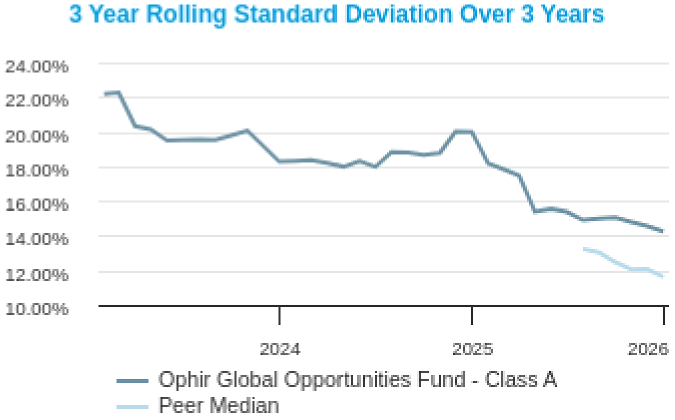
The Fund is highly active in terms of tracking error and active share, and typically focuses on a smaller segment of the market cap spectrum than many peers. The portfolio is differentiated from many other small and mid cap global equity products and this is reflected in the return profile. While the Fund's tracking error has trended down in recent years, it remains considerably higher than the peer median and has corresponded to recent outperformance.

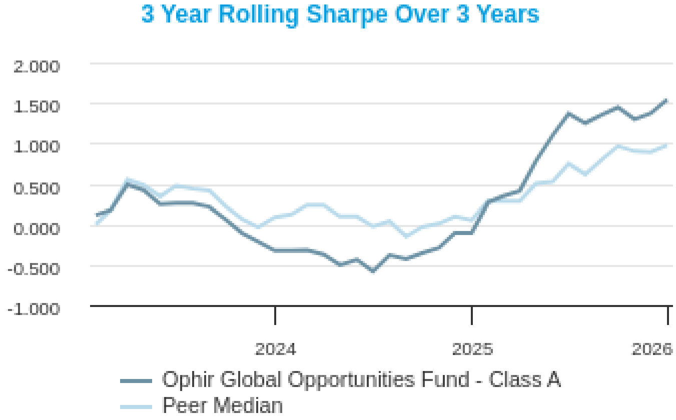




Return Volatility

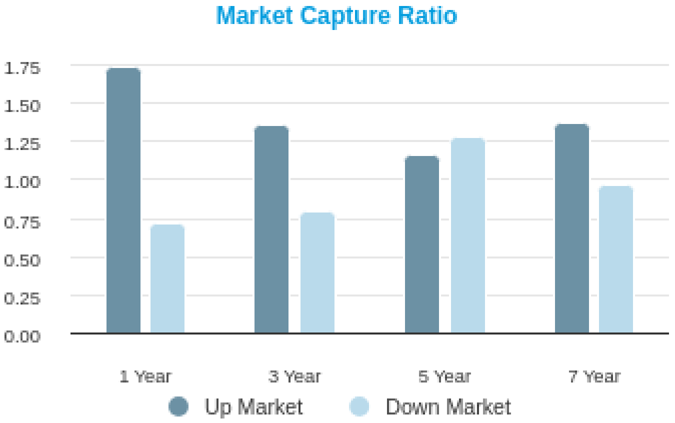
The volatility of the Fund is consistently elevated versus peers and the benchmark, however this is to be expected given the comparative bias to small caps within the portfolio. Over some time horizons, such as the last three years and since inception, investors have been rewarded for this additional volatility with excess returns.

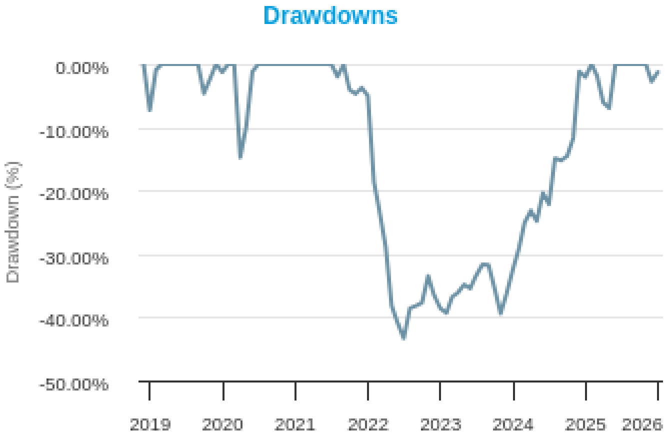




Product Defensiveness

The Fund has historically offered less downside protection than peers. While this is consistent with expectations given the small cap focus, drawdowns have tended to be much larger and take significantly longer to recover than the benchmark and many peers, noting that the Fund took several years to recover from a drawdown that began in 2021.





Lonsec

Ratings

'**Highly Recommended'** rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.
'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.
'**Investment Grade'** rating indicates that Lonsec has conviction the product can meet its investment objectives.
'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.
'**Not -Approved'** rating indicates that Lonsec does not believe the product can meet its investment objectives.
'**Closed / Wind Up'** status is applied when the product has been closed.
'**Fund Watch'** status is applied when a rating is under review due to the occurrence of a significant event relating to the product.
The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.
The '**Screened Out'** rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.
'**Discontinued Review'** status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.
The '**Ceased Coverage'** status is applied when a rated product is withdrawn from the research process by the product issuer.

General

Climate Change / Biodiversity: the extent to which a manager has a leading climate and biodiversity policies.
ESG and Stewardship Reporting: the transparency, accessibility and usefulness of a manager's reporting.
ESG Policy: the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.
Excess return: Return in excess of the benchmark return.
Information ratio: Relative reward for relative risk taken (Excess Returns / Tracking Error).
Key decision maker (KDM): A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.
Market capture ratio: A product's performance during either 'up' or 'down' market trends relative to an index.
Policy Availability / Transparency: the ease of public access to, and transparency of, a manager's overall ESG policy suite.
Public Positioning: the resolve of a manager's commitment to ESG as ascertained by their public positioning.
Returns consistency: The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.
Sharpe ratio: Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.
Standard deviation: Volatility of monthly Absolute Returns.
Stewardship Policies: the strength of a manager's proxy voting and engagement policies with respect to ESG.
Time to recovery: The number of months taken to recover the Worst Drawdown.
Total return: 'Top line' actual return, after fees.
Tracking error: Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).
Worst drawdown: The worst cumulative loss ('peak to trough') experienced over the period assessed.

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Disclosures (continued)

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Lonsec Research FSG

Financial Services Guide

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1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

1.2 About Lonsec Research and its related parties

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Contact Details
Lonsec Research Pty Ltd
Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395
Email: info@lonsec.com.au
www.lonsec.com.au

1.3 What kind of financial services can Lonsec Research provide?

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- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
    - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
    - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

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Lonsec Research FSG (continued)

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Complaints Manager
Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395
Email: complaints@lonsec.com.au

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Email: info@afca.org.au
Phone: 1800 931 678
Mail:
Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

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This FSG was prepared on 1 August 2024.