Ophir Global High Conviction Fund (Class B)

Investment Update | July 2026

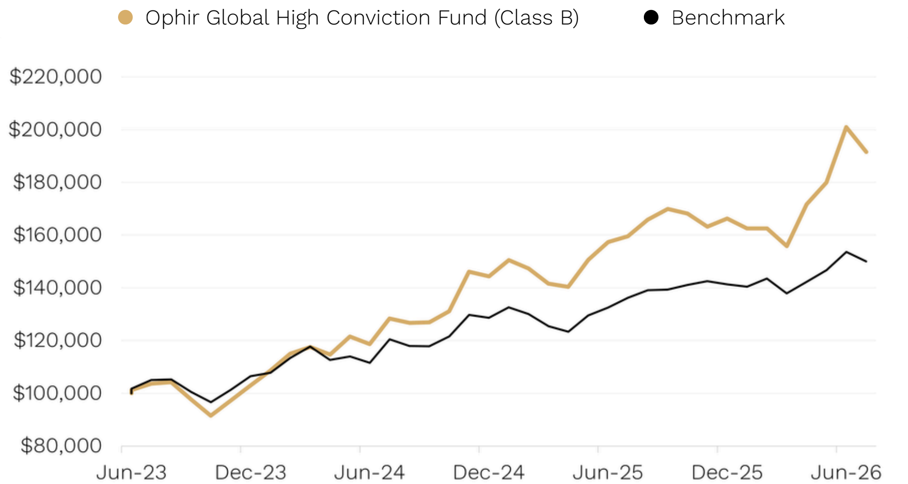
About the Fund

The Ophir Global High Conviction Fund (the Fund) seeks to provide long-term capital growth by investing in a concentrated portfolio of 20 to 40 global small and mid-cap companies. The Fund targets cash generative businesses positioned for structural growth that are under researched, attractively valued and led by high calibre management teams.

Inception Date	Unit Price	Benchmark
7 June 2023	$1.9011	MSCI World SMID Index (Net) (AUD)

Ophir Asset Management

- Privately owned investment manager established in 2012.
- Senior Portfolio Managers are substantial investors in the Fund.
- Experienced investment team with a strong track record across market cycles.
- Funds are capacity constrained to support disciplined portfolio construction and long-term performance.
- Specialist manager with deep expertise in Australian and global small & mid-cap equities.



The above chart represents the growth of $100,000 invested since inception, net of fees, and assuming reinvestment of distributions. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using exit prices. No allowance has been made for taxation. The Fund's benchmark is the MSCI World SMID Index (Net) (AUD).

Investment Performance at 31 July 2026

	Since Inception p.a.	1Y	6M	3M	1M
Fund Return (Net)	**22.9%**	**20.1%**	**17.8%**	**11.6%**	**-4.7%**
Benchmark*	13.7%	10.2%	6.9%	5.4%	-2.4%

Performance figures in the table above assume reinvestment of distributions and are calculated using exit prices of the Fund. 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.
Co-founder of Ophir Asset Management with over 20 years' experience in financial markets. Previously at Paradice Investment Management and the Commonwealth Department of Treasury.

Steven Ng | B Acc, CFA.
Co-founder of Ophir Asset Management with over 23 years' experience in financial markets. Previously at Paradice Investment Management and ING.

Investment Objective: Outperform the MSCI World SMID (Net) (AUD), after fees & before taxes, over the long-term (5+ years).

Risk Return Profile: High to Very High
Recommended Investment Timeframe: 5+ years

Responsible Entity: The Trust Company (RE Services) Ltd
Investment Manager: Ophir Asset Management Pty Ltd

Learn More

Top 5 Holdings *(Alphabetical)*

As at 30 June 2026 updated quarterly.

Company	GICS Sector / Industry	Ticker
AAR Corp	**Industrials** Aerospace & Defense	AIR
Marex Group PLC	**Financials** Financial Services	MRX
Rosebank Industries PLC	**Industrials** Electrical Equipment	ROSE
Standex International Corp	**Industrials** Machinery	SXI
Vectrus Inc	**Industrials** Aerospace & Defense	VVX

Portfolio Characteristics

Number of Holdings	35
Cash	6.4%
Weighted Average Market Cap	$5.1bn

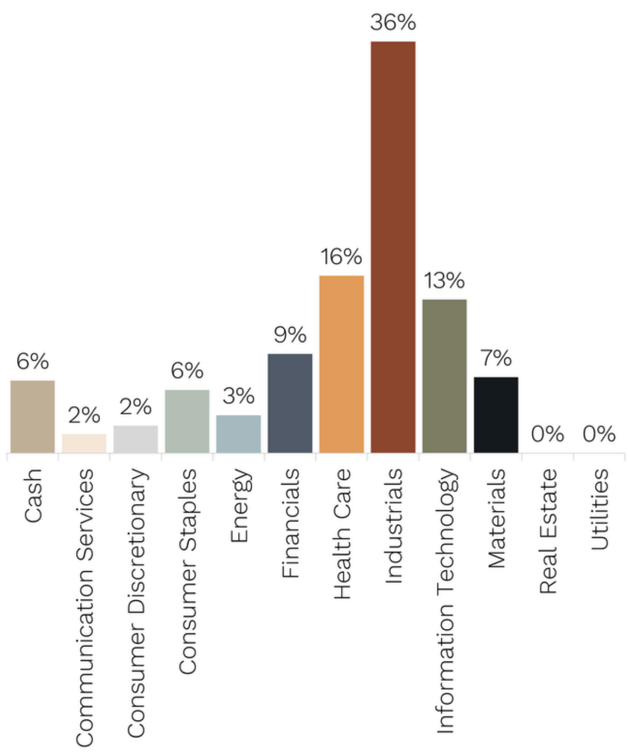
Portfolio Metrics

Price/ Earnings	20.1x
EPS Growth	20.7%
Net Debt / EBITDA	0.0x

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.

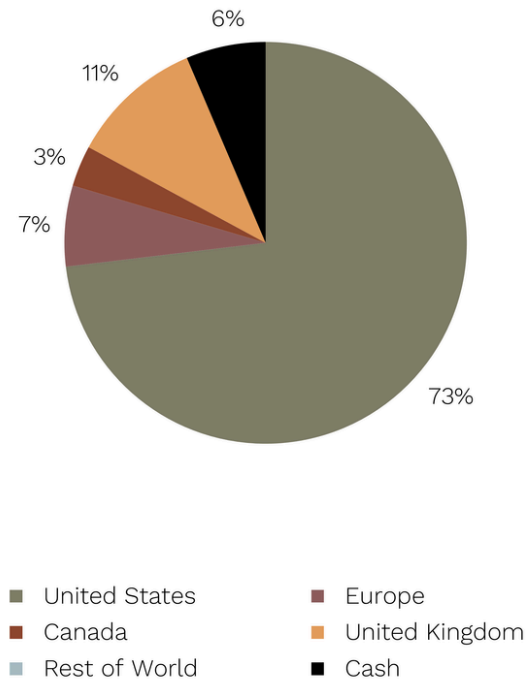
GICS Sector Exposure

Figures may not sum to 100% due to rounding.



Geographic Exposure

Figures may not sum to 100% due to rounding.



Market Commentary

In Christopher Nolan's The Odyssey, we witness our hero, Odysseus, battle a variety of challenges on his way home to Ithaca. One storyline makes for an apt analogy for the AI trade.

In the original story, Odysseus's men eat the lotus flower and lose all desire to do anything, let alone leave the island. They refused to leave their lotus-fuelled stupor, not because staying was better but because they simply didn't stop to ask the question at all. Odysseus had to physically drag his men back to the ships as they clung to the plant.

This sounds similar to the arc of the AI theme. The market didn't stop to ask whether the benefits justified the capex spend; it was too busy eating lotus flowers.

This is exemplified by Kimi K3, the latest AI model turning heads. It reignited questions on whether the capex spend on chips and data centres is worth it. Some initially believed so, as SK Hynix was heavily oversubscribed ahead of its Nasdaq debut, only for the stock to fall below the issue price later in July as the AI trade cooled. Similarly, SpaceX shares also plunged below their issue price in July.

On the other hand, South Korean chipmakers are not hallucinating. Semiconductor demand drove a +70.9% jump in the country's June exports year on year. Evidence that the AI capex is buying actual hardware. The question for markets though is will the end demand be sufficient to earn an acceptable return on investment for the hyperscalers (e.g. Google, Amazon, Microsoft) buying all this hardware.

Share markets were mixed in July with U.S. and Japanese markets generally down while European and U.K. markets rose. Small caps underperformed large caps in the U.S. with the Russell 2000 Index (-3.0%) representing the former and the S&P 500 (-0.1%) the latter. Value outperformed growth this month. The Russell 2000 Value Index was flat at +0.0% versus the Russell 2000 Growth Index -5.9%. Similarly, the S&P 500 Value Index rose +2.0% versus the S&P 500 Growth Index falling -1.8%.

Regarding sector performance, Energy was the biggest winner in the S&P 500 (+12.6%), followed by Financials (+6.2%), while Information Technology (-3.4%) and Industrials (-3.0%) fell the most. Within the Russell 2000 Index, Consumer Staples led (+1.8%), followed by Energy (+1.7%), while Information Technology (-12.3%) and Communications (-9.4%) were the weakest sectors.

At the macro level, Kevin Warsh gave his first report to Congress as Fed chairman, saying the Fed was committed to "restoring price stability". U.S. non-farm payrolls (an employment indicator) came in softer than expected for July (-23k versus 80k estimated), while Core CPI for July was also softer, dropping to 2.5% year over year. Market pricing still sees around 1-2 more 0.25% rate hikes by the Fed this cycle, although with high uncertainty as probabilities wax and wane with the oil price and the Iran war.

In the rate market, the Fed (3.75%), the Bank of England (3.75%), Bank of Canada (2.25%), Bank of Japan (1.0%) and European Central Bank (2.25%) all held rates steady.

Portfolio Commentary

One of the top contributors to performance was a A$3.5bn cardiac diagnostic company. The share price rose +53.4% over the month as the demand for their stock increased after a favourable determination on Medicare coverage of their services. The company increased revenue forecasts as a result.

One of the top detractors from performance was a A$2.4bn digital communications and infrastructure company. The share price fell -19.1% over the month following soft pricing and market interest for recent IPOs in July.

Outlook

The macroeconomic backdrop remains cautious, albeit with some positive signs. The full impact of the Middle East conflict is yet to be seen, and central banks have been cautious to cut rates. The IMF has projected Australia's GDP growth slowing from 1.9% in 2026 to 1.7% in 2027. This is in contrast to the projections of other advanced economies, which are either flat or higher from 2026 to 2027. Whereas the U.S. economic data shows resilience, ahead of other developed markets. Purchasing Manager Indices in the U.S. (a leading economic indicator) have continued to improve throughout this year as corporate earnings growth has also broadened out beyond U.S. large caps into mid and small caps.

Across global small caps, companies continue to trade at attractive valuations in absolute terms (15.6x in the U.S. [S&P 600] and 14.3x in Europe [MSCI Europe Small] on a forward P/E basis) compared to large caps (19.8x in the U.S. at time of writing [S&P 500]), supporting our outlook that smalls will outperform over the longer term. Breadth has continued to come into the U.S. share market with continued outperformance from small caps since late last year as monetary and fiscal policy provides support for a continued broadening in economic growth.

We have maintained our reduced software allocation as the debate around agentic AI continues to impact terminal values for incumbents. We have also deliberately maintained a broadly index weight to semiconductor and memory stocks as trading and positioning remains volatile, and the durability of the AI capex cycle they are benefiting from remains uncertain. Our focus remains on robust industrial businesses, with less macro sensitivity than the market. We will continue our disciplined approach, identifying growing businesses with idiosyncratic earnings drivers that we believe will ultimately find favour.

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Insights

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How to Invest

Product Disclosure Statement (PDS)

Class B units are available exclusively via approved investment platforms and are not available for direct application.

Before investing, please read the PDS. To invest, contact your financial adviser or transact through your investment platform.

For platform information and documentation, contact Ophir by phone or email, or visit www.ophiram.com.au/invest.

For Existing Investors

Manage your holding via your investment platform. To receive monthly fund performance and market insights, subscribe at www.ophiram.com.au/subscribe.

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Fund Information

APIR Code	PIM9456AU
ISIN	AU60PIM94568
Pricing Frequency	Daily
Distribution Frequency	Annually
Buy / Sell Spread	+/- 0.35%
Management Fees & Costs	1.20% p.a. plus ordinary expenses*
Performance Fees	20% p.a. of outperformance**
Min Initial Investment	N/A
Min Additional Investment	N/A
Platform Availability	Visit www.ophiram.com.au/platforms
Target Market	This fund is appropriate for investors with "High to Very High" risk and return profiles. A suitable investor for this fund is prepared to accept high to very high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the Target Market Determination (TMD) for further information.

*Government taxes such as GST will be applied and take into account any reduced input tax credits that may be available. **Subject to high water mark. Please refer to the PDS for more information on fees and costs.

Investment Process

Ophir employs a fundamental, bottom-up research process to identify reasonably priced, high quality global small and mid-cap companies with the potential to compound earnings over time, supported by broad idea generation, quantitative and valuation screening, company visitation, detailed financial modelling and qualitative assessment, and a disciplined portfolio construction framework with position sizing and risk controls across sector, geographic and liquidity exposures.

Zenith HIGHLY RECOMMENDED

Recommended Lonsec Research