

Total returns[†]

At 31 Jul 2023	1 Mth %	3 Mths %	1 Yr %	3 Yrs % p.a.	5 Yrs % p.a.	10 Yrs % p.a.	Incep % p.a. (Nov 2003)
OC Micro-Cap Fund	4.3	2.5	0.1	3.7	8.0	14.1	12.5
S&P/ASX Emerging Companies Accum.	4.0	(0.1)	(2.3)	15.5	9.9	8.7	6.0
Outperformance	0.3	2.6	2.4	(11.8)	(1.9)	5.3	6.5

Performance review

The Fund enjoyed a strong start to the new financial year, returning +4.3% for the month. This was just ahead of the S&P/ASX Emerging Companies Accumulation Index which returned +4.0%. The Fund has delivered a small positive return (+0.1%) in a very challenging micro-cap environment over the past 12 months which is ahead of the Index (-2.3%). Pleasingly, sentiment is beginning to improve in the small and micro-cap space with valuation multiples at attractive levels and liquidity starting to show early signs of recovering.

Key contributors to the performance included: **Pacific Current Group (PAC; +37.9%)** which rallied on the back of a non-binding indicative takeover proposal from fellow fund manager, Regal Partners, with a competing proposal from GQG Partners flagged as highly likely; retailers **Baby Bunting (BBN; +21.1%)** and **Universal Store (UNI; +20.1%)** moving higher as the market gained confidence that retail conditions were bottoming as interest rates peak; and **Premium Limited (PPS; -17.0%)** which underperformed during the month following a soft 4Q23 flows update, driven by higher gross outflows as clients moved money off platform into term deposits.

Outlook

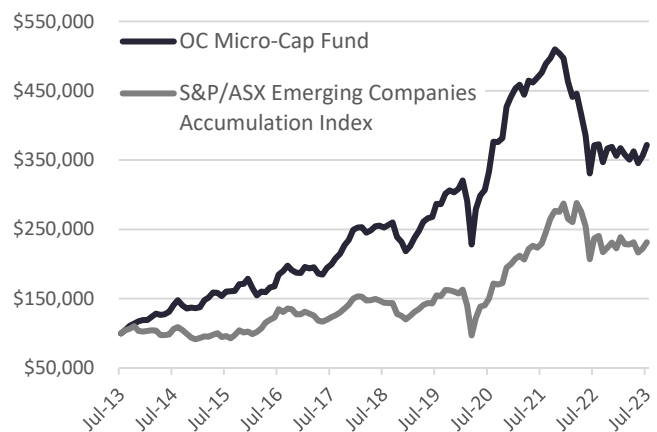
Global growth has continued to moderate in recent months, although falling inflation has tempered recessionary fears. Core inflation nevertheless remains elevated in most regions and monetary authorities remain focussed on returning their economies back to price stability. The US Federal Reserve (the Fed) increased rates further in July, although Australia's RBA took a more cautious 'wait and see the data' approach and left the cash rate on hold at 4.1% in early August.

Key economic indicators released in the US during July, including GDP growth of 2.4% annualised, supported the narrative that the dream 'soft landing' scenario for the US economy – taming inflation without a recession – can still be achieved. The key US stock indices marched higher on the positive GDP print, with the tech heavy Nasdaq Index pacing the rally (+3.7%). Whilst US inflation continues to moderate, core PCI printed at 4.1% and is still well above the Fed's target 2% level. The Fed continues to reiterate that upcoming rate decisions will be "data dependant".

The domestic economic outlook appears to be more challenging with conflicting signs as to the strength of the economy. Nevertheless, a near 50-year low unemployment rate of 3.5% and a solid (albeit falling) household savings buffer still leaves consumers in a reasonable position even allowing for near-term inflationary pressures and the lagged impact of the more recent interest rate hikes.

The August reporting season has kicked-off, although the Fund is yet to have any companies report. We remain upbeat on the prospects of our core portfolio holdings and will share further thoughts with our investors in early September once we have analysed the numbers and met with the management teams.

Performance Comparison of \$100,000 over 10 yrs*



Top 5 holdings[#]

Company	ASX Code
Genesis Minerals Limited	GMD
Pacific Current Group Limited	PAC
Peter Warren Automotive Holdings Limited	PWR
SRG Global Limited	SRG
Telix Pharmaceuticals Limited	TLX

[#]The top 5 portfolio holdings are in alphabetical order and may not be representative of current or future investments.

Key Facts

Fund Overview

The Fund is a long-only, benchmark-unaware and primarily invests micro-cap securities listed, or near listing, on the ASX or the New Zealand Stock Exchange with sustainable business models and attractive investment qualities. OC will also invest in a small number of concept stocks that have robust business models and a pathway to profitability within five years and event driven and thematic stocks where we anticipate near term price appreciation. Micro-cap companies, for the purposes of the Fund, are companies with a market capitalisation of less than \$500 million at the time of the initial acquisition.

Responsible entity

Copia Investment Partners

Inception date

October 2016 as the OC Micro-Cap Fund. The Fund was previously the OC Concentrated Equity Fund which was established in December 2003.

Benchmark

S&P/ASX Emerging Companies Accumulation Index

Investment time frame

At least 5 years

Minimum investment

Initial: \$5,000

Additional: \$1,000

Distribution

Yearly

Management fee

1.20% p.a. (including GST net of RITC)

Performance fee

20.5% (including GST net of RITC) on any performance (after deducting the management fee) in any financial year above the grater of 15% for the year or the high-water mark.

Performance hurdle

S&P/ASX Emerging Companies Accumulation Index

High-water mark

Yes

Typical Investment Exposure

Cash 0%-20%

Equities 70%-100%

Including:

S&P/ASX 300 Constituents 0%-20%

Unlisted Securities 0%-10%

NZX/Foreign Listed Securities 0%-10%

Platforms

AMP MyNorth | BT Panorama | CFS First Wrap | Hub 24 | Insignia (Expand) | Xplore (Linear) | Macquarie | Netwealth | Powerwrap | Praemium | DASH | Mason Stevens



CONTACT COPIA

1800 442 129 | clientservices@copiapartners.com.au | copiapartners.com.au

*The total return performance figures quoted are historical, calculated using end-of-month hard-close mid-prices and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. The performance is quoted net of all fees and expenses as levied at the time. The index does not incur these costs. This information is provided for general comparative purposes. The returns for the OC Concentrated Equity Fund are used prior to the conversion to the OC Micro-Cap Fund. The inception date of the fund is 21/11/2003, the inception date of the index is 31/12/2003. *The performance comparison of \$100,000 over 10 years is for illustrative purposes only. All returns shown are based on Australian dollar figures. Past performance is not a reliable indicator of future performance. The total returns shown are prepared on an ongoing basis (i.e. they include all ongoing fees and expenses and assume reinvestment of all distributions). They do not take personal taxation into account. The comparison with the S&P/ASX Emerging Companies Accumulation Index is for comparative purposes only. Index returns do not allow for transactional, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index.

Past performance is not a reliable indicator of future performance. Positive returns, which the OC Micro-Cap Fund (the Fund) is designed to provide, are different regarding risk and investment profile to index returns. This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this article, readers should consider the appropriateness of the information to their needs. This may involve seeking advice from a qualified financial adviser. Copia Investment Partners Ltd (AFSL 229316, ABN 22 092 872 056) (Copia) is the issuer of the OC Micro-Cap Fund (ARSN 126 537 424). A current PDS is available from Copia located at Level 47, 80 Collins Street (North Tower), Melbourne VIC 3000, by visiting ocfunds.copiapartners.com.au or by calling 1800 442 129 (free call). A person should consider the PDS before deciding whether to acquire or continue to hold an interest in the Fund. Any opinions or recommendation contained in this document are subject to change without notice and Copia is under no obligation to update or keep any information contained in this document current.

The rating issued October 2022 are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned February 2023) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>