

## Total returns<sup>†</sup>

At 31 Jan 2025	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	(0.1)	3.1	13.8	(1.6)	6.6	12.3	12.4
S&P/ASX Emerging Companies Accum.	0.4	0.2	22.5	(1.0)	9.6	10.7	6.1
<b>Outperformance</b>	<b>(0.5)</b>	<b>2.9</b>	<b>(8.7)</b>	<b>(0.7)</b>	<b>(3.0)</b>	<b>1.6</b>	<b>6.4</b>

## Performance review

The early days of Trump presidency 2.0 have been predictably eventful with a flurry of executive orders following the inauguration ceremony, speculation around the impost of tariffs, and the news around Chinese artificial intelligence start-up DeepSeek creating a volatile market back-drop. The OC Micro Cap Fund finished the month down -0.1% which was behind the S&P/ASX Emerging Companies Accumulation Index which rose +0.4%.

**Paragon Care (PGC, +13.5%)** tracked higher in January and was driven, at least in part, by the approval of the blockbuster Chemist Warehouse-Sigma Group merger which should enable PGC owned CH2 to grow market share in community pharmacy wholesale and distribution. Furthermore, in late December, a new wholesaling funding package, which includes the Community Services Obligation, was announced by the Commonwealth. This should increase funding for wholesalers such as PGC over the medium term. **Cuscal Limited (CCL, +16.4%)** bounced back after some turbulent trading around its IPO late last year. We believe the CCL IPO was priced at an attractive valuation and the company operates a solid business that facilitates the payment operations of regional banks and mutuals. **Pointsbet Holdings (PBH, -14.5%)** share price slipped back in January (after the price doubled in CY24) when its December quarterly disclosed turnover below market expectations notwithstanding management was able to maintain strong gross profit growth in its core Australian wagering business. We remain comfortable with the outlook for PBH.

## Outlook

In recent days the market has gyrated around the Trump administrations proposed trade policies, due to a lack of clarity as to whether Trump is using tariffs as a negotiating tool rather than a key economic priority. Markets snapped back after Trump agreed to delay tariffs on Canada and Mexico following negotiations with their leaders Justin Trudeau and Claudia Sheinbaum respectively. Trump has said he plans to speak with Chinese President Xi Jinping “probably over the next 24 hours”, raising the prospect of a deal still being brokered between the world’s two largest economies.

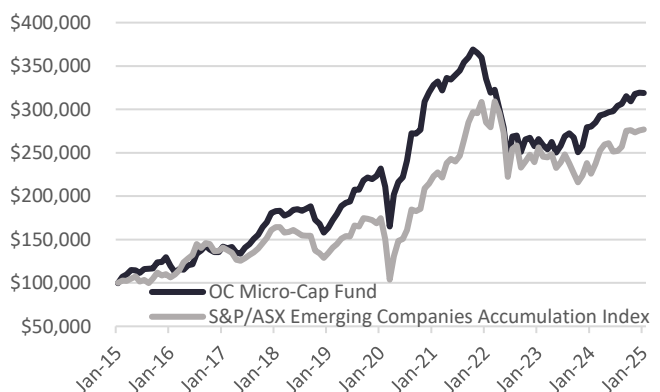
China’s breakthrough foray into artificial intelligence (AI) has been no less disruptive to financial markets with DeepSeek, a relatively unknown Chinese AI startup, releasing an AI model that rivals Open AI’s GPT-4 but was reportedly trained with a fraction of the computational power. If validated, it could have material implications for the amount of computing power needed to power the AI revolution. While this would likely be a

negative for tech behemoths such as Nvidia, it could ultimately increase global productivity by reducing costs and accelerate broad-based access to AI as further cost and efficiency gains are made in frontier AI models.

From an economic perspective Trump re-enters the Presidency with a US economy that has been the best performing among major developed markets, underpinned by a resilient consumer, a buoyant corporate sector, a strong labour market and inflation that is moderating. We continue to believe that the Trump administration will implement pro-business policies favouring deregulation and tax reductions, which are expected to particularly benefit the profitability of small and mid-cap firms with US exposure.

On the domestic front, inflation is moderating with core inflation, or the trimmed mean, slowing to an annual rate of 3.2% in December. But the domestic labour market remains remarkably resilient, with unemployment at 4.0% in December. The RBA’s mid-February rate decision remains line-ball, although money markets are now heavily pricing in that the rate cutting cycle will kick-off in just under a fortnight. The February reporting season will be an excellent gauge of the health of corporate Australia and we look forward to reporting back on it in March.

## Performance Comparison of \$100,000 over 10 yrs<sup>\*</sup>



## Top 5 holdings<sup>#</sup>

Company	ASX Code
Aspen Group	APZ
Cedar Woods Properties Limited	CWP
Genusplus Group Ltd	GNP
Silk Logistics Holdings Limited	SLH
Viva Leisure Limited	VVA

<sup>#</sup> 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) above the Performance Hurdle, subject to the high-water mark and after recovering any past underperformance.

### 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



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\*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.com.au](http://ocfunds.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.

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