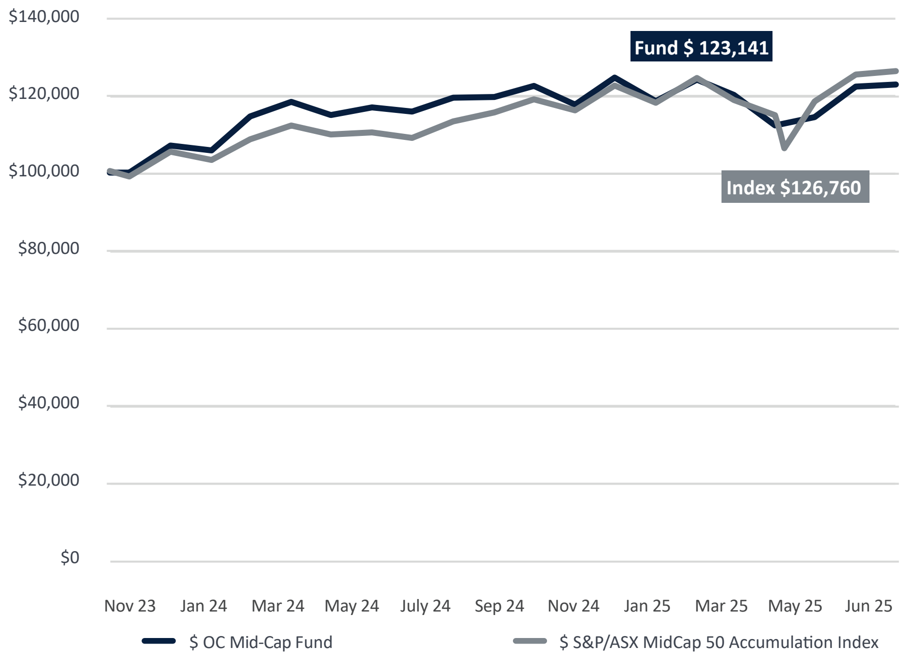
9.8%
Fund up 9.8% for the quarter

6.3%
Returned 6.3% over the past year

We remain confident the Fund is well placed to deliver strong long-term returns

Performance comparison of $100,000 invested at inception*



Total returns

At 30 June 2025†	1 mth %	3 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	10 yrs % p.a.	Incep. % p.a. (Nov 2023)
OC Mid-Cap	0.6	9.8	6.3				13.9
S&P/ASX MidCap 50 Accumulation Index	0.8	10.3	16.4				15.7
Outperformance	**-0.2**	**-0.5**	**-10.1**				**-1.8**

Inception date for the Fund is November 2023.

Performance review

Many key global stock indices finished the 2025 financial year near record highs, including the US S&P 500 Index, the Dow Composite Index, and the Australian S&P 200 Index but the solid gains masked the extreme volatility which punctuated the June quarter. Trump's "Liberation Day" tariff imposts riled markets early in the quarter before the administration quickly reversed course by postponing "reciprocal" tariffs for 90-days. The following 12 weeks saw a spectacular recovery in most equity markets, supported by resilient US economic data and further signs of moderating inflation in key economies including the US and Australia. Market optimism was tempered somewhat late in the quarter by geopolitical tensions, including a sharp escalation in hostilities between Israel and Iran and a precision bombing of Iranian nuclear facilities by the US. Renewed friction between the US and China over trade, with fresh tariff threats made late in the quarter also threatened to derail the rally.

The domestic mid-cap index also had a volatile June quarter with a tariff related uncertainty in early April the catalyst for a steep sell-off which reversed course just as swiftly before rallying strongly over the remainder of the quarter. The S&P/ASX Mid-Cap 50 Accumulation Index was up a robust +10.3% for the June quarter, which was marginally ahead of the OC Mid-Cap Fund which finished June up +9.8%.

The OC Mid-Cap Fund rounded out a challenging FY25 after a strong relative year in FY24 with several factors contributing to the relative underperformance of the Fund over the past 12 months. Evolution Mining, a gold miner, was the biggest mid-cap index constituent for much of the past six month and rallied steeply in FY25 (+126.0%) on the back of a surging gold price. Evolution Mining alone added +3.2% to the mid-cap index performance in FY25, and Lynas Corporation (LYC, +45.2% in FY25), a rare earths producer, added a further +1.1% to the mid-cap benchmark.
Both stocks were screened out from the Fund as core investments as they are single commodity stocks. Stock specific issues with HMC Capital (discussed below) and Mineral Resources (mentioned in other monthly reviews) also contributed negatively over the 12 months. We remain

confident that both MIN and HMC will bounce in FY26 and contribute to Fund performance.

Despite the underperformance of the Fund in FY25, the investment strategy utilised by the OC Mid-Cap Fund has consistently added alpha through the cycle for investors over 20 plus years and we remain confident in our ability to generate strong investment returns over the medium and long-term.

Life360 Inc. (360, +62.4%), the family safety and location sharing platform, rallied strongly through the quarter following an excellent Q1 CY25 result (released in mid-May). 360's category leading mobile app and Tile tracking devices help members protect the people, pets, and things they care about most. The company is US based, but is rolling out globally, initially targeting Canada, the UK and Australia. In its home market of the US, 360 offers a range of services including location sharing, safe driver reports, and crash detection with emergency despatch. 360 is now in the early stages of launching and monetising advertising functionality to its members and this is catching the eye of investors in Australia and the US. At its quarterly result, the company reported year-on-year revenue growth of +32% and highlighted several strategic growth initiatives, including advertising, (which remains in its infancy) which will continue its evolution toward being a comprehensive family safety platform.

Specialist software provider **Technology One (TNE, +47.3%)** delivered a strong performance over the quarter, driven by a robust first-half result. TNE offers accounting and core enterprise software, with a focus on the tertiary education and government sectors through sector-specific applications. The company has successfully transitioned its customer base to a cloud-based offering and is going further in its UK subsidiary by bundling implementation costs into ongoing service payments via its 'SAAS+ model'. This model is attractive to customers as it eliminates implementation risk (both in terms of timing delays and cost overruns) and avoids large upfront capital expenditures - particularly valuable in a budget-constrained environment. It also benefits TNE, which gains a recurring 40% revenue uplift in exchange for foregoing a one-off implementation fee. TNE's high success rate in tenders - often outperforming costly competitor systems (such as Oracle or SAP) and smaller competitors with legacy on-premise technology - is well recognised by the market. The company's systemised implementation approach and focus on reducing time and costs are expected to further enhance margins and accelerate add-on sales. This supports a long-term outlook of 20% annual earnings growth, which is anticipated to continue in the medium term.

Essential infrastructure services provider **Ventia Services (VNT, +28.9%)** posted a strong quarterly gain, with investors attracted to its reliable earnings base derived from long-term government contracts. VNT operates across sectors including defence, transport, utilities, and social infrastructure, delivering critical services that underpin public and private operations. Investor confidence was bolstered by a short-term extension to the company's major Defence Base Services contract, while the broader retendering process remains underway. Additional contract wins and renewals in the quarter further strengthened the outlook. At its Annual General Meeting, VNT reiterated guidance for 7–10% NPAT growth, reinforcing its stable growth trajectory. Despite elevated valuations across the market, VNT continues to offer value, trading at 16x FY26 earnings, which remains attractive in the current investment landscape.

HMC Capital (HMC, -18.1%) was a problem child in the portfolio during the quarter rounding out a tough six months for the diversified alternative asset manager. Key issues weighing on sentiment include uncertainty surrounding the ownership of private hospital operator Healthscope which continues to plague HMC's listed vehicle **Healthco Healthcare and Wellness REIT (HCW, -16.9%)**. This sales process is expected to take around two months to complete and will likely involve a 10-15% rent re-set across HCW's 11 hospital portfolio. In our view, such an outcome would remove a key negative overhang to the HMC stock. Secondly, data centre vehicle **Digico Infrastructure REIT (DGT, +12.0%)** continues to trade well below its December 2024 IPO price of $5.00. Hosting Certification Framework (HCF) certification from Department of Home Affairs at DGT's key SYD1 facility and subsequent leasing success, which has been flagged by the company, are the important near-term catalysts we are looking for in the next six months. Thirdly, and perhaps most materially, HMC continues to pursue options to find a capital partner, strategic or merger partner or, alternatively, an outright sale of its renewable energy portfolio. Progress has been slower than anticipated, hampered in part by the recent departure of Angela Karl, the Head of Energy Transition. An outright sale of the Neoen renewable energy assets at a price at least equal to the $950m paid by HMC is the most likely resolution in the next six months, in our opinion, with the purchase price paid for the assets by HMC well supported by a recent independent valuation and other valuation benchmarks. While this outcome would be a major set-back for HMC's ambitions in the energy transition vertical, it would remove arguably the biggest overhang on the HMC share price. It would also preserve HMC's ability to fund growth in other key verticals and remove a key management distraction.

Outlook

As we enter FY26, we believe the Australian equity market is poised to face a dynamic environment shaped by a combination of global and domestic forces. Given the macro-economic uncertainty in both Australia and the US, market sentiment is likely to remain sensitive to key economic variables including inflation trends, labour market data, central bank guidance, as well as geopolitical developments.

Trump's 90-day pause on the "reciprocal" tariffs, announced on 9 April 2025, is set to expire on 8 July 2025. During this pause, a baseline 10% tariff remains in effect for most US imports, excluding China, which is subject to a higher tariff rate. As the deadline approaches, the Trump administration has indicated that the pause may not be extended, particularly for countries that have not reached new trade agreements with the US. At this stage, very few countries, other than the United Kingdom, have finalised trade agreements with the US. The Trump administration has left the door ajar for the deadline to be extended for countries demonstrating good-faith efforts in negotiations. But the situation remains fluid, and the potential reimposition of tariffs could have significant implications for global trade and financial markets in the coming weeks. This cannot be discounted given the unpredictability of the Trump administration and we therefore remain invested predominately in highly liquid stocks so we can rapidly pivot the portfolio should circumstances necessitate it.
In the US, economic momentum remains broadly resilient. Recent data suggest a soft landing remains likely, with Q1 GDP revised lower but consumption and employment holding up. Core inflation remains sticky, particularly in services, but is showing gradual signs of easing. The US Federal Reserve (the Fed) is expected to remain data-dependent, with the market currently pricing in two rate cuts before the end of CY25. The Fed faces a dilemma between raising rates to combat inflation (noting that tariffs are inherently inflationary) or lowering them to stimulate growth amid rising recession fears. Significant risks remain around trade tensions, particularly with China, and geopolitical uncertainty. But, overall, the US economy appears resilient.

The US House of Representatives passed the final version of the "One Big Beautiful Bill Act" on 3 July 2025, by a narrow 218–214 vote, featuring US$4.5 trillion in tax cuts, including permanent extensions of the 2017 tax reforms, and significant reductions in Medicaid and food assistance programs. Trump signed the bill on 4 July during Independence Day celebrations at the White House. Critics warn of a US$3.3 trillion deficit increase and potential loss of healthcare for millions. Equity markets have generally reacted positively to the ongoing passage of the legislation, with the S&P 500 near record highs, reflecting investor optimism over tax relief and business incentives. However, rising treasury yields and a Moody's credit downgrade signal growing fiscal concern.

Back at home, the Australian economy is exhibiting signs of deceleration. GDP growth remains subdued, with the economy growing at a pace below trend, largely reflecting weaker household consumption amid elevated interest rates and cost-of-living pressures. The labour market remains resilient and held steady at 4.1% in May despite a surprise dip in the number of jobs, leaving RBA watchers divided over hopes of imminent rate relief. The May Consumer Price Index (CPI) showed ongoing progress on inflation with annual trimmed mean inflation – the RBA's preferred measure – a modest 2.4% which is supportive of further rate cuts. In April 2025, the US imposed a 10% baseline tariff on most Australian imports, with higher rates (up to 50%) on specific sectors such as steel, aluminium, pharmaceuticals, and meat products. Australia seems to have made little progress to date in trade negotiations with the US which are set to expire on the 8 July 2025, although Prime Minister Albanese remains hopeful of negotiating them to zero. Given the challenging domestic economic backdrop, highlighted by disappointing recent trading updates from listed retailers such as Accent Group, Adairs Limited and KMD Brands, the Fund remains underweight consumer domestic exposure.

From a sectoral and thematic perspective, OC Funds believes companies such as NextDC Limited and HUB24 Limited which are leveraged to OC Fund's preferred secular growth trends including productivity, automation, digitisation, and mandated superannuation remain compelling investments. Given the heightened level of global macro-economic uncertainty at present, we have adopted a cautious yet opportunistic approach to stock selection over the past few months, focussing on quality and resilience amid global uncertainties. We have nevertheless been opportunistically adding to companies that have been oversold due to unexpected pronouncements from the Trump administration on matters such as trade and drug policy such Telix Pharmaceuticals. We have also increased our exposure to companies with a high degree of earnings certainty, including defensive healthcare stocks that can grow their earnings in a slowing economic environment such Ramsay Healthcare. The Fund also added new holdings in Life360 Inc and Pinnacle Investment Management Group which have compelling long-term growth outlooks.

The OC Funds investment team is highly experienced with collective "buy-side" investment experience of over 100 years; together we have successfully navigated many challenges over the past 20 years. We were wrong footed heading into the GFC when we owned too many financially leveraged businesses; we were particularly poorly positioned when the more recent COVID-19 pandemic struck holding a raft of global growth and travel stocks which plummeted overnight. In these instances, we worked diligently, we didn't panic, and we didn't make short-term, or emotional decisions. In each instance, the OC Fund's strategies ultimately bounced back and generated strong returns for long-term investors. Despite a difficult FY25, we remain confident in our investment process which focusses on high-quality, cash-generative businesses with strong management teams and clear strategic direction. We believe the current uncertain environment offers fertile ground for alpha generation. In closing, we would like to thank our investors for their ongoing support.

Top 5 holdings[#]

Company	ASX code
Charter Hall Group	CHC
NEXTDC Limited	NXT
Qube Holdings Limited	QUB
Technology One Limited	TNE
Vicinity Centres	VCX

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

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[†] The total return performance figures quoted are historical, calculated using hard-close end-of-month 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. The index does not incur these costs. This information is provided for general comparative purposes.

[*] 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.