

## Total returns<sup>†</sup>

At 31 Jul 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	4.8	10.8	7.0	6.5	6.2	10.9	12.2
S&P/ASX Emerging Companies Accum.	4.0	6.7	12.9	3.8	12.0	10.7	6.1
<b>Outperformance</b>	<b>0.8</b>	<b>4.1</b>	<b>(5.9)</b>	<b>2.7</b>	<b>(5.9)</b>	<b>0.2</b>	<b>6.2</b>

## Performance review

Global equity markets started the new fiscal year on a positive note with the finalisation of most tariff deals between the US and its trading partners alleviating residual concerns around a protracted trade war. Stronger than expected US corporate earnings, particularly in the technology space, and cooling US inflation also boosted market sentiment. The OC Micro-Cap Fund finished the month up +4.8% which was ahead the S&P/ASX Emerging Companies Accumulation Index which rose +4.0%.

In stock news, **Silk Logistics (SLH, +36.8%)** rallied in early July when the ACCC confirmed it would not oppose the acquisition of 100% of the issued capital of SLH, via a scheme of arrangement, by global logistics heavyweight DP World. FIRB approval was received late in the month and the transaction has now completed and SLH has delisted. **IPD Group (IPG, +18.5%)** bounced after ruling off a soft FY25 due to commercial construction headwinds and large project delays. IPG has underperformed over the last 12 months due to these short-term issues, which also led to tax loss selling pressure in the month of June. Commercial construction now appears to bottoming, based on early data on building approvals, and we are looking for an improved FY26 from the company. Up and coming producer, **Lotus Resources (LOT, -15.4%)**, traded lower during the month in line with the short term negative sentiment surrounding the broader Uranium sector. It was an otherwise positive month of news flow for LOT where it was issued its Environmental and Social Impact Assessment certificate by the Malawi EPA and it safely commissioned its Kayelekera plant with first ore processed late in July.

## Outlook

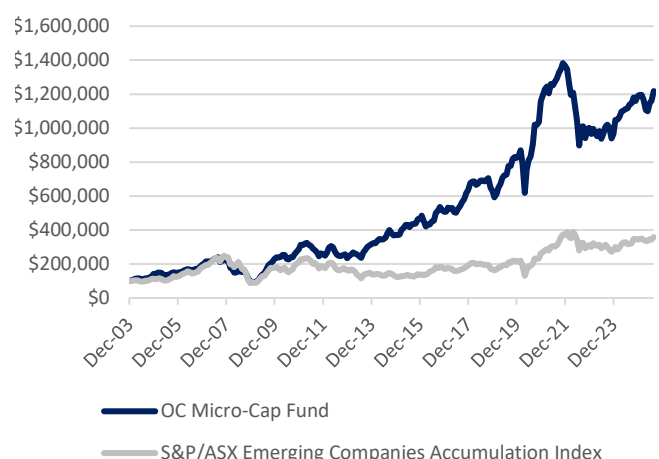
Solid corporate earnings in the US in recent weeks have seen equity markets continue to grind higher in early August. The US economy remains broadly resilient with recent data suggesting that economic activity remains expansionary; GDP grew at an annualised rate of 3% in the second quarter, but economists noted this was likely inflated by trade pull-forward ahead of tariff impacts. The risk of tariff induced inflation is keeping the US Federal Reserve (the 'Fed') on hold, although two dissenting governors are pushing for immediate cuts. The uncertainty relates to whether tariff related cost pressures will prove to be transitory or persistent. A weaker labour market print in early August has significantly increased the odds of the Fed cutting rates in September.

The RBA surprised most economists by leaving rates unchanged at 3.85% in early July. The June quarter CPI, released after the RBA meeting, showed ongoing progress on inflation with annual trimmed mean inflation – the RBA's preferred measure

– moderating to +2.7%. While the domestic labour market remains tight by historical standards, the unemployment rate rose slightly to +4.3% in June. Money markets are now pricing in three more interest rate cuts in Australia over the remainder of the calendar year. With cost of living pressures starting to ease, the outlook for the Australian economy is improving.

With August reporting season underway, one of the key company characteristics the OC Funds investment team will be looking out for will be well managed businesses that ought to be beneficiaries of a falling interest rate environment and that also have a solid structural position in their market. We will also seek to get a better understanding of the likely impact of US tariffs on individual stocks and sectors and how management will respond: is the new trade regime with the US a threat or opportunity for these businesses or sectors? The impact of AI on business operations will also be front of mind for the investment team; will AI boost business productivity, service offerings or product quality, or is it a threat to a company's competitive position?

## Performance Comparison of \$100,000 since inception\*



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

Company	ASX Code
Alliance Aviation Services Limited	AQZ
Aspen Group	APZ
Propel Funeral Partners Limited	PFP
Silk Logistics Holdings Limited	SLH
Viva Leisure Limited	VVA

<sup>#</sup>The top 5 portfolio holdings are in alphabetical order and may not be

## 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.

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