

Total returns[†]

At 31 Oct 2024	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	(1.9)	1.7	23.5	(5.7)	6.9	12.1	12.4
S&P/ASX Emerging Companies Accum.	0.2	9.5	27.9	(2.4)	9.7	10.0	6.1
Outperformance	(2.1)	(7.8)	(4.4)	(3.3)	(2.8)	2.2	6.3

Performance review

The S&P/ASX Emerging Companies Accumulation Index was up +0.2% in October with the Index meaningfully bolstered by a large swathe of speculative resources companies. The Index finished ahead of the OC Micro-Cap Fund which was 1.9% lower in October.

PointsBet Holdings (PBH, +12.9%) traded higher in October as investors became more comfortable that the business is now well positioned for profitable growth. PBH has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products, and it also has an iGaming offering in Canada. Profitable gold producer **Ora Banda (OBM, +49.6%)** marched higher in October as its quarterly activities report confirmed the Riverina underground mine (which produced 24,000 ounces of gold at less than A\$2,300 all in sustaining costs) as a highly cash generative operation. Portfolio holdings **OFX Group (OFX, -32.4%)** and **Smartpay Holdings (SMP, -34.2%)** were both exited as disappointing updates caused us to reassess our investment theses in these names. OFX delivered an unexpected weak trading update two months after affirming guidance. SMP's card payment business model became the subject of federal government scrutiny (in relation to debit card payment surcharges) which we think is likely to materially affect the profitability of the Australian business.

Outlook

The outcome of the US presidential election has led to a bullish sentiment in US markets while creating a complex environment globally as investors reassess their strategies in light of potential policy changes under a Trump administration. President-elect Trump's convincing victory, and the likelihood of a Republican "red sweep" of Congress, increases the probability that the full suite of Trump campaign promises will be implemented. Analysts anticipate that Trump's administration will implement pro-business policies favouring deregulation and tax reductions, which are expected to benefit the profitability of small-cap firms with US exposure. However, there are concerns about increased tariffs potentially leading to trade tensions and renewed inflationary pressures.

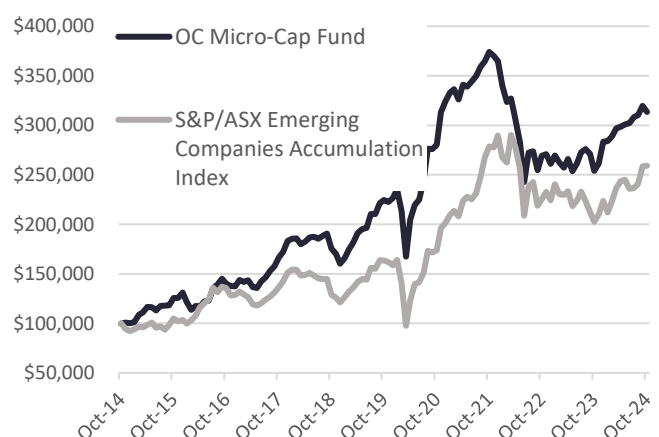
The bond market is telling us that it fears inflation is coming back; the benchmark 10-year US treasury yield has surged from 3.6% in September and currently sits around 4.3%. Equity markets have thus far ignored the bond market sell-off, although should the 10-year US treasury yield head towards

5.0% Trump may be forced to re-evaluate his fiscal spending plans.

Just two days after Trump's re-election, the US Federal Reserve cut rates 25 basis points whilst also noting that the US economy had been stronger than expected. We will be keeping a close eye on the new administration's policy announcements as signs of fiscal largesse and steep tariffs may revive inflationary pressures which would likely be poorly received by equity markets and would result in us repositioning the portfolio.

Our own central bank, the Reserve Bank of Australia (RBA), remains an outlier in developed economies with interest rates again on hold in November. Whilst the RBA acknowledges material progress towards the CPI target, core inflation at 3.5% is still "too high" and there seems to be no urgency to ease policy, despite weak economic momentum. The portfolio therefore remains underweight domestic cyclical exposure.

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



Top 5 holdings[#]

Company	ASX Code
Genusplus Group Ltd	GNP
Lotus Resources Limited	LOT
Pacific Current Group Limited	PAC
Universal Store Holdings Limited	UNI
Viva Leisure Limited	VVA

[#]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 Edge | 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.

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