

## Total returns<sup>†</sup>

At 30 Apr 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	0.5	5.2	12.3	(4.3)	9.3	12.4	12.5
S&P/ASX Emerging Companies Accum.	2.8	14.9	4.4	2.9	11.4	9.5	6.0
<b>Outperformance</b>	<b>(2.3)</b>	<b>(9.7)</b>	<b>7.8</b>	<b>(7.2)</b>	<b>(2.1)</b>	<b>2.9</b>	<b>6.5</b>

## Performance review

The Micro-Cap Index marched higher in April, bucking the trend of the broader market. The OC Micro-Cap Fund ended April +0.5%, which was behind the S&P/ASX Emerging Companies Accumulation Index which was up 2.8% for the month, with speculative gold and base metal stocks driving the strong index return.

**GenusPlus Group (GNP, +11.8%)** is capitalising on strong secular tailwinds (as a provider of essential power and communications infrastructure) announcing two contract wins in decarbonisation with Fortescue Ltd and delivered a double-digit EBITDA guidance upgrade for FY24. Dental clinic operator **Pacific Smiles (PSQ, +16.9%)** attracted a (seemingly) knock-out bid from private equity player Crescent Capital Partners at \$1.90 per share, which we view as highly likely to complete. **Chrysos Corporation (C79, -17.3%)** was a key detractor with the deployment schedule for its Photon Assays with 9 units now expected to be deployed in FY24 versus original guidance of “at least 18” due to customer “site readiness” challenges. Despite the disappointment, the long-term investment thesis for C79 remain intact.

## Outlook

April was a challenging month in equity markets with tensions the Middle East escalating and unnerving investors with Iran and Israel trading missile strikes. Moreover, a raft of negative economic data out of the US and Australia again has commentators speculating that we could be facing a period of stagflation in the coming months. Equities, in particular longer duration growth stocks, sold off in April on the expectation that interest rates will need to stay higher for longer.

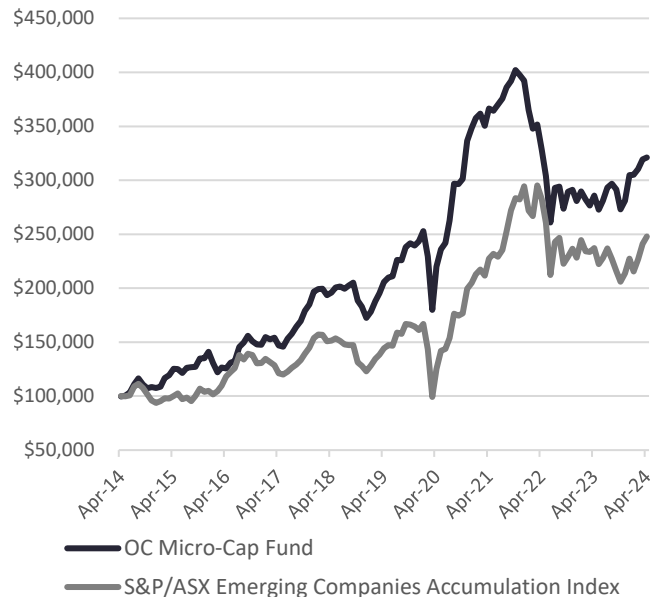
In the US, GDP growth slowed sharply to 1.6% on an annualised basis in the March quarter, while inflation has re-accelerated with the Personal Consumption Expenditure price index, the US Federal Reserves (the Fed) preferred gauge, ticking up to an annualised 3.4%. Interest rate cuts in the US are now likely to be on the backburner until the end of the year, with the Fed expected to shift to a hawkish bias at its FOMC committee meeting in early May. The US 10-year treasury yield moved sharply higher in April, towards 4.7%, as resurgent inflation has deferred expectations of rate cuts.

Domestic inflation data was likewise concerning in April with progress towards the RBAs 2-3% target having stalled. While the Australian economy is cooling, services inflation is proving

to be “sticky” and jobs data remains strong. Expectations of RBA rate cuts have been pushed out into early CY25, with some commentators now believing the next move from the RBA is for interest rates to rise (not fall).

The deterioration in the economic outlook in Australia and the US in April was the catalyst for several changes to the portfolio during the month, with our exposure to growth stocks pared back. Both the economic and geopolitical environment remain fluid, and we will continue to reposition the portfolio, if the need arises, as we aim to continue to generate strong long-term investment outcomes for our clients.

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



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

Company	ASX Code
Aspen Group	APZ
Cedar Woods Properties Limited	CWP
Genusplus Group Ltd	GNP
Pacific Current Group Limited	PAC
Peter Warren Automotive Holdings Limited	PWR

<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) 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



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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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