

Total returns[†]

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. (Dec 2000)
OC Dynamic Equity Fund	(4.0)	4.9	13.8	5.3	9.4	11.0	11.9
S&P/ASX Small Ordinaries Accumulation	(3.1)	3.3	7.4	0.0	3.9	6.5	5.7
Outperformance	(0.9)	1.6	6.5	5.3	5.5	4.5	6.2
S&P/ASX Small Industrials Accumulation	(5.0)	2.1	10.4	(1.3)	2.6	6.3	5.8
Outperformance	1.1	2.8	3.4	6.7	6.8	4.7	6.1

Performance review

The Small-Cap recovery stalled in April with the OC Dynamic Equity Fund down -4.0% for the month. This was behind the S&P/ASX Small Ordinaries Accumulation Index but slightly ahead of the S&P/ASX Small Industrials Accumulation Index with were down -3.1% and -5.0%, respectively, in April.

Telix Pharmaceuticals (TLX, +16.8%) released an outstanding March 24 quarter update with sales of its Illuccix prostate cancer PET tracer 18% above the December 23 quarter, which likely implies both market share gains and growth in the total addressable market. **Lifestyle Communities (LIC, -23.2%)** downgraded settlement guidance citing a challenging macro-economic backdrop and a lag in the time it is taking their customers to sell their homes. The Fund has exited its position due to concerns about LIC's medium-term outlook. **HMC Capital (HMC, -10.8%)** was sold down as investors went 'risk-off' with the highly regarded alternative asset manager likely the victim of profit taking following a strong re-rating in the stock over the past six months.

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.

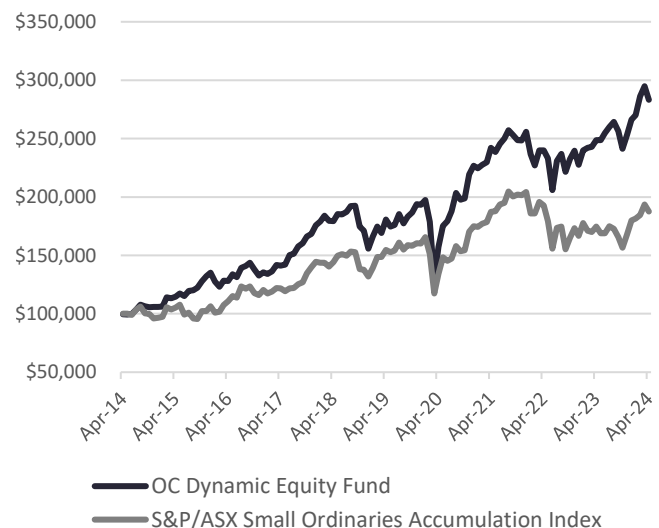
In the US, GDP growth slowed sharply to 1.6% on an annualised basis in the March quarter, while inflation has re-accelerated with the Personal Consumption Expenditure price index, the US Federal Reserves (the Fed) preferred gauge, ticking up to an annualised 3.4%. Interest rate cuts in the US are now 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 both 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[#]

Company	ASX Code
GQG Partners Inc.	GQG
Kelsian Group Limited	KLS
Mineral Resources Limited	MIN
PSC Insurance Group Limited	PSI
Telix Pharmaceuticals Limited	TLX

[#]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 unit trust. It primarily invests in 30 to 50 quality small to medium-sized Australian companies with sustainable business models, quality management and attractive investment fundamentals that are listed, or about to list, on the ASX. The Fund can also invest up to 20% of total capital in either smaller emerging leaders businesses (\$50 million to \$350 million market capitalisation) and/or event-driven positions (companies expected to benefit from an upcoming catalyst or undergoing a positive change).

Responsible entity

Copia Investment Partners

Inception date

December 2000

Benchmark

S&P/ASX Small Ordinaries Accumulation Index

Investment time frame

At least 5 years

Minimum investment

Initial: \$20,000

Additional: \$5,000

Distribution

Yearly

Management fee

1.72% p.a. (including GST net of RITC)

Performance fee

20.5% (including GST net of RITC) of the amount of excess performance in any financial year, subject to a high-water mark.

Performance hurdle

The greater of the net asset value of the Fund at the beginning of the year plus 15% p.a., or the high-water mark.

High-water mark

Yes

Typical Investment Exposure

Cash	0%-20%
Equities	80%-100%
Including:	
S&P/ASX 100 Constituents	0%-20%

Platforms

BT Panorama | HUB24 | Insignia (Expand) | Xplore (Linear) | Macquarie | MLC/Navigator | Netwealth | Powerwrap | Praemium | 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. 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 Small Ordinaries 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 Dynamic Equity 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 Dynamic Equity Fund (ARSN 098 644 681). A current PDS is available from Copia located at Level 47, 80 Collins Street (North Tower), Melbourne VIC 3000, by visiting ocfunds.copiapartners.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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