

Total returns[†]

At 29 Feb 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	6.1	13.2	18.3	8.0	10.4	11.2	12.1
S&P/ASX Small Ordinaries Accumulation	1.7	10.1	7.8	1.4	4.4	6.1	5.7
Outperformance	4.4	3.2	10.5	6.6	6.0	5.2	6.4
S&P/ASX Small Industrials Accumulation	3.9	14.9	12.9	1.1	4.3	6.4	6.0
Outperformance	2.2	(1.7)	5.5	6.9	6.1	4.9	6.1

Performance review

The Fund had an excellent February reporting period finishing the month up 6.1%. This was well ahead of both the S&P/ASX Small Ordinaries Accumulation Index and the S&P/ASX Small Industrials Accumulation Index which returned 1.7% and 3.9%, respectively, in February.

Lovisa Holdings (LOV, +40.9%) shrugged off a challenging retail backdrop to report an interim result that exceeded market expectations. Pleasingly, comparative store sales growth has turned positive (+0.3%) in the first seven weeks of CY24 and the rapid global store roll-out remains on-track. **GQG Partners (GQG, +18.0%)** again appeared on the winners list after reporting an excellent result underpinned by strong FUM growth and operating leverage. **Corporate Travel Management (CTD, -22.6%)** was a key disappointment after overestimating the materiality of a UK procurement contract and failing to anticipate the impact of a macro-economic slowdown on corporate travel patterns. The Fund exited the position following the result.

Outlook

Company results overshadowed macro-economic news in February with most listed ASX companies releasing interim or full year results. On balance, our Fund holdings reported impressive results with robust outlook statements despite the challenging macro backdrop and we remain upbeat on the prospects of our portfolio over the coming months.

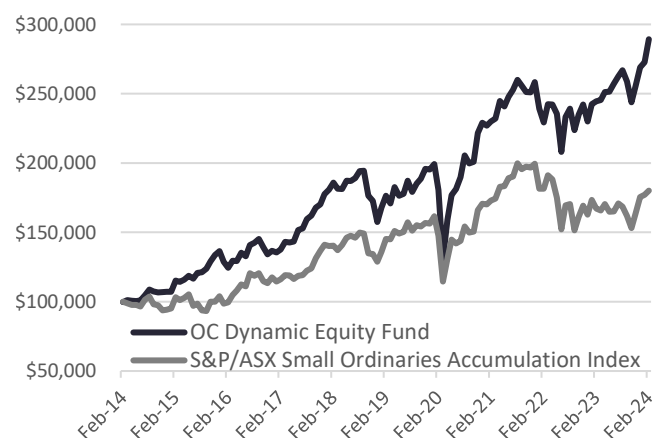
Some of the key themes which stood out across corporate Australia in the February results period included:

- Well managed consumer facing businesses have continued to generate solid results through prudent cost management, despite the macro headwinds, e.g. Universal Store, Nick Scali and Premier Investments.
- Companies with pricing power and a competitive moat have been rewarded, e.g. Seven Group Holdings and CAR Group.
- Companies exposed to the explosive growth in data usage and connectivity have structural tailwinds which ought to accelerate further as Artificial Intelligence (AI) becomes ubiquitous, e.g. Megaport, NEXTDC and Macquarie Technology Group;

- Insurance premiums continue to rise with little respite expected in the near-term and the insurance brokers remain a sensible way to play the cycle, e.g. Steadfast Group and AUB Group.

In both Australia and the US, the economy continues to slow and inflation is moving back towards each central bank's respective target band. Both countries jobs markets continue to show resilience and the consumer, while slowing under the weight of cost-of-living pressures, has not gone into hibernation. Against this backdrop, a soft landing is firming as the likely outcome with the next move in the cash rate expected to be downwards, perhaps in the second half of CY24, or potentially as soon as May in the US. Should this scenario play out, we remain confident that small-cap equities can continue to recover following a challenging few years.

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
Seven Group Holdings Limited	SVW
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



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. 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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