

Total returns[†]

At 31 Oct 2023	1 Mth %	3 Mths %	1 Yr %	3 Yrs % p.a.	5 Yrs % p.a.	10 Yrs % p.a.	Incep % p.a. (Dec 2000)
OC Premium Small Companies Fund	(5.5)	(8.0)	0.2	5.4	5.3	7.8	10.0
S&P/ASX Small Ordinaries Accumulation	(5.5)	(10.5)	(5.1)	0.5	2.5	4.3	5.0
Outperformance	(0.0)	2.5	5.3	4.9	2.8	3.5	4.9
S&P/ASX Small Industrials Accumulation	(7.0)	(13.0)	(6.1)	(2.1)	1.5	4.0	5.0
Outperformance	1.6	5.1	6.3	7.5	3.9	3.8	4.9

Performance review

Global equity markets sold off heavily in October and the OC Premium Small Companies Fund was no exception falling 5.5%. This was in line with the S&P/ASX Small Ordinaries Accumulation Index but ahead of the S&P/ASX Small Industrials Accumulation Index which returned -5.5% and -7.0%, respectively.

There were few winners across our small-cap universe in October although fund holding **APM Human Service (APM, +13.3%)** rallied from oversold levels with the stock likely to be a beneficiary as unemployment rate ticks up given that the company receives success fees from placing candidates into employment programs across several of its key contracts. **Telix Pharmaceuticals (TLX, -22.5%)** sold off after a slight miss to consensus expectations on third quarter Illuccix sales, and a preliminary data read on a prostrate diagnostic trial that seemed to confuse the market. **Megaport (MP1, -19.2%)** also sold off on a quarterly result which underwhelmed the market on key KPIs like new customer wins, and ports and services adds, despite exceeding market expectations from a financial perspective.

Outlook

Investors went 'risk-off' in October as hostilities between Israel and Hamas dampened risk appetite. Bond yields rose sharply, and stock indices fell globally with the prospect of 'higher for longer' interest rates weighing on stock valuations. Against this backdrop, commodities outperformed with energy prices rising as the conflict escalated and investors sought refuge in the relative safety of gold.

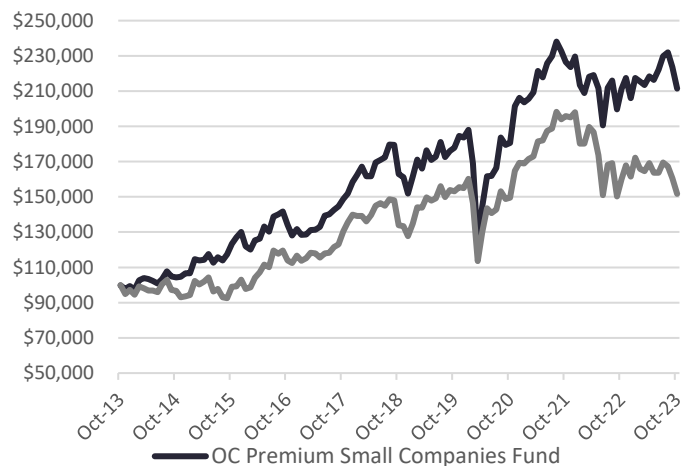
The US economy remains resilient with Q3 GDP of 4.9%, although the jobs market is slowing with the unemployment rate ticking up to 3.9%. It remains a delicate balancing act for the US Federal Reserve who must continue to bring inflation back to their 2% target, whilst not overdoing rate increases and causing a protracted downturn. The Federal Reserve, as expected, left rates in the 5.25 per cent to 5.5 per cent range at its policy meeting in early November. But the Fed left the door open to a further increase in borrowing costs in a policy statement that acknowledged the economy's surprising

strength but also noted the tighter financial conditions faced by businesses and households.

On the home front, inflation continues to be too high and retail sales data remains surprisingly resilient despite growing cost of living pressure. This forced the hand of Reserve Bank of Australia which raised the cash rate to 4.35% on Melbourne Cup Day, despite some clear signals that the economy is slowing.

Sentiment in domestic small-caps is extremely bearish and we have used the sharp sell-off as an opportunity to deploy some cash into some quality names that have been sold down to attractive levels and ought to be resilient in a slowing economic

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



Top 5 holdings[#]

Company	ASX Code
APM Human Services International Limited	APM
G.U.D. Holdings Limited	GUD
Kelsian Group Limited	KLS
Mineral Resources Limited	MIN
Seven Group Holdings Limited	SVW

[#]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.

Responsible entity

Copia Investment Partners

Inception date

December 2000

Benchmark

S&P/ASX Small Ordinaries Accumulation Index

Investment time frame

At least 5 years

Distribution

Half-yearly

Management fee

1.20% p.a. (including GST net of RITC)

Performance fee

20.5% (including GST net of RITC) of the amount the Fund outperforms its benchmark provided specific conditions are met including a minimum absolute 5% return.

Performance hurdle

S&P/ASX Small Ordinaries Accumulation Index

High-water mark

Yes

Typical Investment Exposure

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

Platforms

AMP MyNorth | Grow Wrap | Asgard | BT Panorama | CFS First Choice | CFS First Wrap | Hub 24 | Insignia (Expand) | Xplore (Linear) | Macquarie | MLC/Navigator | Netwealth | OneVue | 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. 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.

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