OPHIR

Ophir High Conviction Fund (ASX: OPH)

Investment Update | July 2026

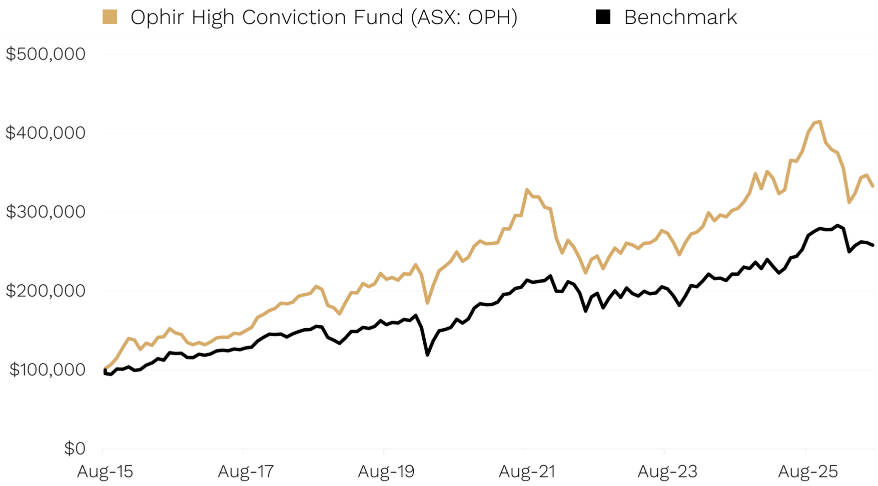
About the Fund

The Ophir High Conviction Fund (the Fund) seeks to provide investors with a concentrated exposure to a high-quality portfolio of listed companies outside the S&P/ASX50.

Inception Date	Fund Size	Benchmark
3 August 2015	$594.2m	50% ASX Mid-Cap Accum Index / 50% ASX Small Ords Accum Index

Ophir Asset Management

- Privately owned investment manager established in 2012.
- Senior Portfolio Managers are substantial investors in the Fund.
- Experienced investment team with a strong track record across market cycles.
- Funds are capacity constrained to support disciplined portfolio construction and long-term performance.
- Specialist manager with deep expertise in Australian and global small & mid-cap equities.



The above chart represents the growth of $100,000 invested since inception, net of fees, and assuming reinvestment of distributions. Please note past performance is not a reliable indicator of future performance. Total returns have been calculated using the Net Asset Value (NAV) of the fund. No allowance hasbeen made for taxation. The Fund's benchmark is 50% ASX Mid-Cap Accumulation Index / 50% ASX Small Ordinaries Accumulation Index.

Investment Performance at 31 July 2026

	Since Inception p.a.	10Y p.a.	7Y p.a.	5Y p.a.	3Y p.a.	1Y	3M	1M
Fund Return (Net)	**11.6%**	**8.1%**	**6.0%**	**2.4%**	**6.4%**	**-11.7%**	**2.9%**	**-3.9%**
Benchmark*	9.0%	7.8%	6.8%	4.7%	7.9%	2.1%	0.3%	-1.3%
ASX: OPH Unit Price Return	N/A**	N/A**	6.5%	-0.9%	7.5%	-9.4%	12.3%	2.0%

Performance figures in the table above assume reinvestment of distributions and are calculated using the Net Asset Value (NAV) of the Fund. Past performance is not a reliable indicator of future performance.
*50% ASX Mid-Cap Accumulation Index / 50% ASX Small Ordinaries Accumulation Index. **ASX: OPH Unit Price Return shown from listing date of 18 December 2018.

Senior Portfolio Managers

Andrew Mitchell | B Ec (Hons), MAppFin.
Co-founder of Ophir Asset Management with over 20 years' experience in financial markets. Previously at Paradice Investment Management and the Commonwealth Department of Treasury.

Steven Ng | B Acc, CFA.
Co-founder of Ophir Asset Management with over 23 years' experience in financial markets. Previously at Paradice Investment Management and ING.

Investment Objective: Outperform the benchmark, after fees & before taxes, over the long-term (5+ years).

ASX Code: OPH
ASX Listing Date: 18 December 2018

Responsible Entity: The Trust Company (RE Services) Ltd
Investment Manager: Ophir Asset Management Pty Ltd

Learn More

www.ophiram.com

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Top 5 Holdings *(Alphabetical)*

As at 30 June 2026 updated quarterly.

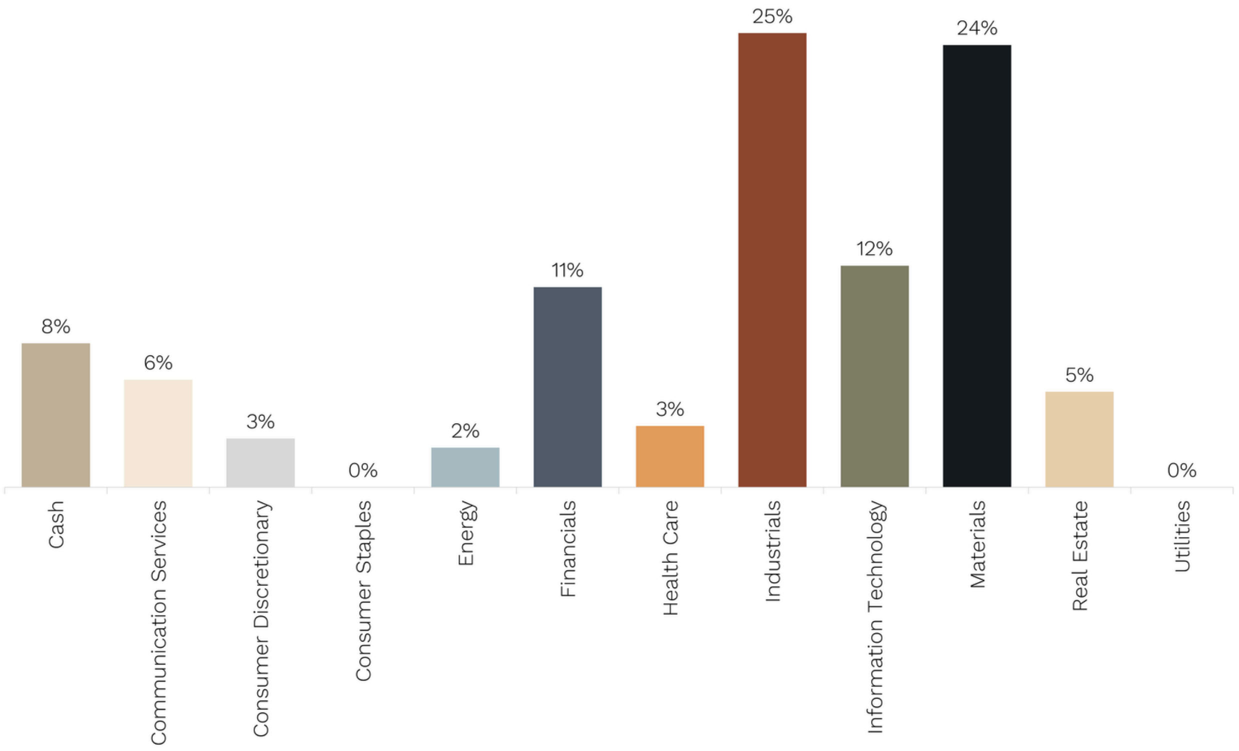
Company	GICS Sector / Industry	Ticker
Develop Global Ltd	**Materials** Metals & Mining	DVP
Infratil Ltd	**Financials** Financial Services	IFT
Maas Group Holdings Ltd	**Industrials** Construction & Engineering	MGH
Megaport Ltd	**Information Technology** IT Services	MP1
Service Stream Ltd	**Industrials** Construction & Engineering	SSM

Net Asset Value (NAV & Unit Price)

Unit Price	$2.67
ASX Share Price	$2.54

GICS Sector Exposure

Figures may not sum to 100% due to rounding.



Market Commentary

In Christopher Nolan's The Odyssey, we witness our hero, Odysseus, battle a variety of challenges on his way home to Ithaca. One storyline makes for an apt analogy for the AI trade.

In the original story, Odysseus's men eat the lotus flower and lose all desire to do anything, let alone leave the island. They refused to leave their lotus-fuelled stupor, not because staying was better but because they simply didn't stop to ask the question at all. Odysseus had to physically drag his men back to the ships as they clung to the plant.

This sounds similar to the arc of the AI theme. The market didn't stop to ask whether the benefits justified the capex spend; it was too busy eating lotus flowers.

This is exemplified by Kimi K3, the latest AI model turning heads. It reignited questions on whether the capex spend on chips and data centres is worth it. Some initially believed so, as SK Hynix was heavily oversubscribed ahead of its Nasdaq debut, only for the stock to fall below the issue price later in July as the AI trade cooled. Similarly, SpaceX shares also plunged below their issue price in July.

On the other hand, South Korean chipmakers are not hallucinating. Semiconductor demand drove a +70.9% jump in the country's June exports year on year. Evidence that the AI capex is buying actual hardware. The question for markets though is will the end demand be sufficient to earn an acceptable return on investment for the hyperscalers (e.g. Google, Amazon, Microsoft) buying all this hardware.

On the domestic economic picture, Australian unemployment remains at 4.4%, while the trimmed mean inflation measure came in at 3.6%, a touch lower than the previous period.

Most Australian index returns were up in July, with the ASX Smallcap Resources (-3.7%) and the ASX Small Ordinaries (-3.1%) the notable exceptions. The ASX 200 ended the month up +2.3%, with large cap growth underperforming value, with the MSCI Australia Growth Index up +1.6%, while the MSCI Australia Value Index rose +4.9%.

Across ASX 300 sectors, Energy was the biggest winner (+12.1%), followed by Financials (+5.8%), while Information Technology (-4.8%) and Industrials (-1.4%) fell the most. Within the ASX Small Ordinaries, Energy led (+7.3%), followed by Consumer Discretionary (+3.9%), while Technology (-12.9%) and Industrials (-7.3%) were the weakest sectors.

Portfolio Commentary

One of the largest contributors to performance for the month was Bravura Solutions (ASX: BVS), the fund administration and software company. The share price ended the month up +25.7%. The stock upgraded its FY26 cash EBITDA guidance to approximately $77 million, up from the previous $69-$73 million range.

One of the largest detractors from performance for the month was Develop Global (ASX: DVP), the mining services company. The share price ended the month down -24.3%. Despite reporting a record quarterly revenue of $147 million for the June 2026 quarter (up 108% on the March quarter), the stock fell after a broker report target price reduction. We maintain confidence in the long-term growth profile of the stock evidenced by the strong revenue result.

Outlook

The macroeconomic backdrop remains cautious, albeit with some positive signs. The full impact of the Middle East conflict is yet to be seen, and central banks have been cautious to cut rates. The IMF has projected Australia's GDP growth slowing from 1.9% in 2026 to 1.7% in 2027. This is in contrast to the projections of other advanced economies, which are either flat or higher from 2026 to 2027. Whereas the US economic data shows resilience, ahead of other developed markets.

In Australia we have seen the valuation gap widen between small caps and large caps. Smalls continue to trade at a discount in absolute terms to their historical average at 14.5x for the ASX Small Ordinaries Index. While at 17.5x for the ASX 200 on a forward P/E basis, it remains near one of the largest relative valuation discounts in history. With little chance of further rate hikes by the RBA, this continues to support our outlook for small caps.

We have maintained our reduced software allocation as the debate around agentic AI continues to impact terminal values for incumbents. Our focus remains on reasonably valued small-cap businesses with robust earnings growth. The portfolio maintains a balanced mix of cyclical and defensive exposures, with a tilt towards less macro-sensitive companies.

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How to Invest

To invest, please speak to your financial adviser or purchase units on the ASX through your stockbroker or online trading platform.

For assistance, please contact us or visit www.ophiram.com.au/invest for more information.

For Existing Investors

Automic Group acts as the unit registry for the Fund. View your holdings and update details via the Automic Investor Portal.

Please subscribe to receive monthly fund performance and market insights at www.ophiram.com.au/subscribe.

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Unit Registry

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Fund Information

APIR Code	OPH0002AU
ISIN	AU60OPH00027
Liquidity	Daily
Distribution Frequency	Annually
Management Fees & Costs	1.20% p.a. plus ordinary expenses*
Performance Fees	20% p.a. of outperformance**

*Government taxes such as GST will be applied and take into account any reduced input tax credits that may be available.
**Subject to high water mark.

Please refer to the PDS for more information on fees and costs.

Investment Process

Ophir employs a fundamental, bottom-up research process to identify reasonably priced, high quality small and mid-cap companies with the potential to compound earnings over time, supported by broad idea generation, quantitative and valuation screening, company visitation, detailed financial modelling and qualitative assessment, and a disciplined portfolio construction framework with position sizing and risk controls across sector, geographic and liquidity exposures.

Zenith RECOMMENDED

Recommended Lonsec Research