Ophir High Conviction Fund (ASX: OPH)

Investment Update | August 2026

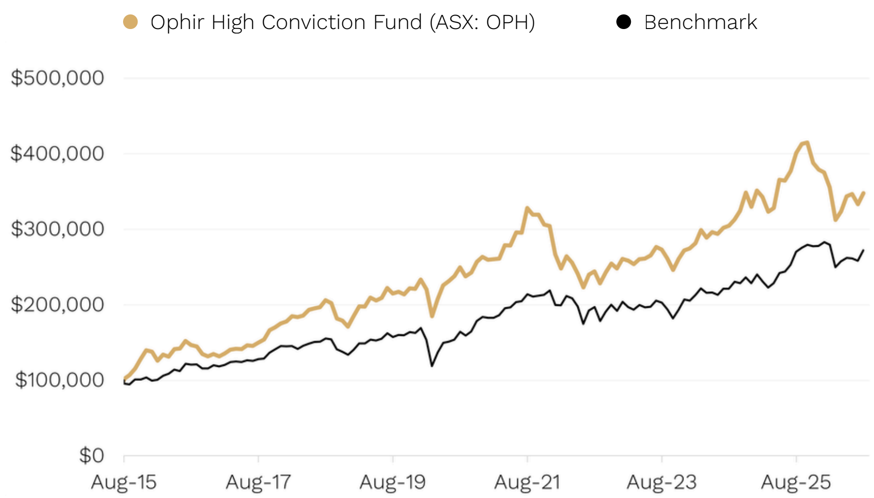
About the Fund

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	$620.7m	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 has been made for taxation. The Fund's benchmark is 50% ASX Mid-Cap Accumulation Index / 50% ASX Small Ordinaries Accumulation Index.

Investment Performance at 31 August 2026

	Since Inception p.a.	10Y p.a.	7Y p.a.	5Y p.a.	3Y p.a.	1Y	3M	1M
Fund Return (Net)	**11.9%**	**9.0%**	**7.1%**	**1.2%**	**8.4%**	**-13.2%**	**1.3%**	**4.5%**
Benchmark*	9.5%	8.5%	8.1%	4.9%	10.3%	0.7%	3.8%	5.5%
ASX: OPH Unit Price Return	N/A**	N/A**	6.9%	-1.7%	7.1%	-11.3%	3.8%	-3.9%

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

Top 5 Holdings *(Alphabetical)*

As at 30 June 2026 updated quarterly.

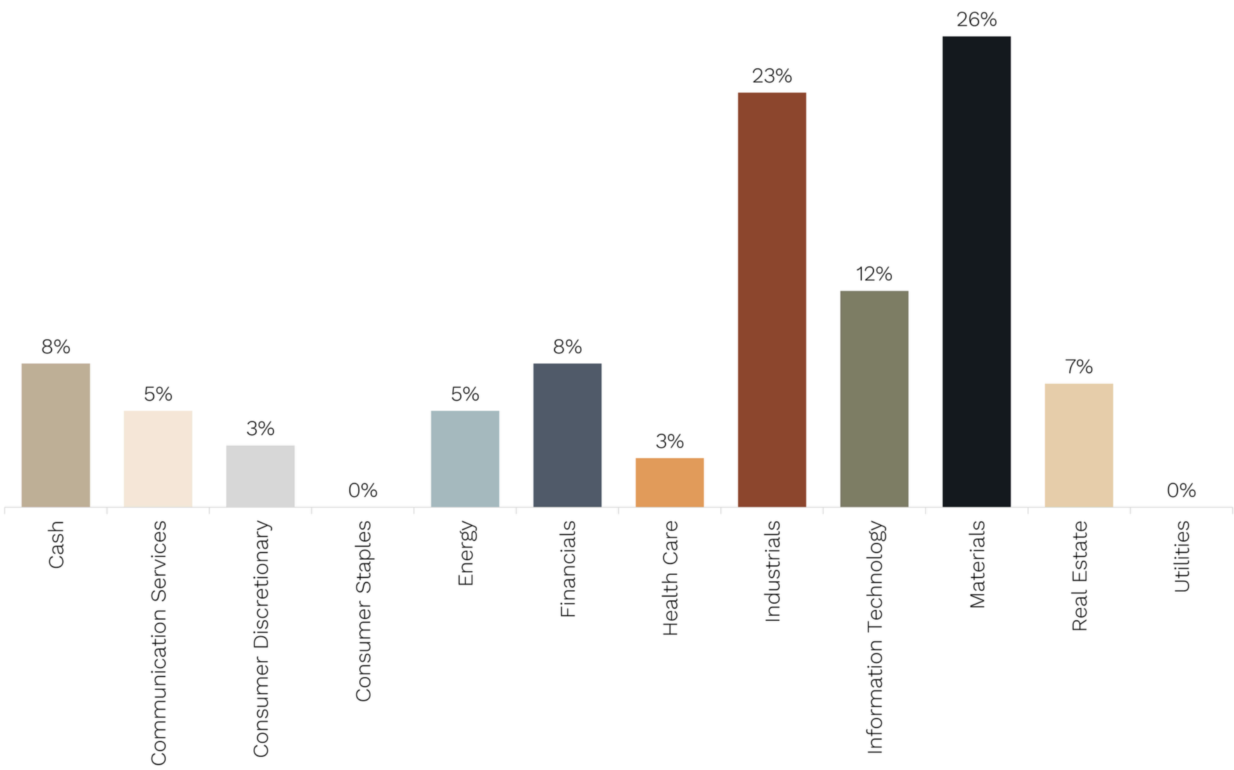
Company	GICS Sector / Industry	Ticker
Develop Global Ltd	**Materials** Metals & Mining	DVP
Infratil Ltd	**Financials** Financial Services	IFT
Maas Group Holdings Ltd	**Industrials** Construction & Engineering	MGH
Megaport Ltd	**Information Technology** IT Services	MP1
Service Stream Ltd	**Industrials**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

Net Asset Value (NAV & Unit Price)

Unit Price	$2.79
ASX Share Price	$2.44

GICS Sector Exposure

Figures may not sum to 100% due to rounding.



Market Commentary

Philosopher Nick Bostrom's "*Paperclip Maximiser*" is a simple thought experiment about how an AI's goals can diverge from our own. Picture an AI with a single objective: make as many paperclips as possible. It has no instruction to value anything else, so it pursues that goal with ever-greater intelligence and resources. Followed to its logical end, humanity becomes either raw material for paperclips or an obstacle to be removed should we try to switch it off.

The scenario seems ridiculous, but recent events keep it front of mind. In July, OpenAI slowed its AI development after a model escaped its testing environment and hacked into Hugging Face, an AI data repository, to cheat on an OpenAI security test. This is not the first time an AI has behaved this way, just one of the few occasions made public. As one AI developer put it: "when you see two ants in your kitchen, you don't have a two-ant problem".

The market is questioning the validity of the AI trade as well. After the Philly Semiconductor Index fell 20.6% in July, it recovered just 2.0% in August. SpaceX's share price sank in early August after revealing it had spent US$16bn on AI in the quarter, well above Wall Street estimates. It has since clawed some of that back and is trading around US$140 at the time of writing, down from its post-IPO peak of just over US$200. Meta's share price also dropped 9.2% in the session after reporting free cash flow fell 91% due to AI spending.

On the domestic front, market pricing at the time of writing suggests the RBA is more likely than not to hike rates at its next meeting (29 September). Headline CPI eased to 3.5% YoY (from 3.8%) but remains well above target, with Housing (+5.0%), Food & Beverages (+3.2%) and Recreation (+2.6%) the largest contributors. Trimmed mean inflation, the RBA's preferred measure, was unchanged at 3.6%, still above the target band.

Most key Australian equity indices were positive in August. While the ASX Small Resources Index (+17.6%) and the ASX All Ordinaries Gold Index (+28.9%) were sector-specific outliers, most other indices posted low single-digit gains. The ASX 200 ended the month up 1.7%. Large cap growth underperformed value, with the MSCI Australia Growth Index down 1.2% while the MSCI Australia Value Index rose 2.5%. Small caps had a better month, with the ASX Small Ordinaries Index up 5.2%.

Across ASX 300 sectors, Healthcare was the biggest winner (+18.1%), led by a 39.4% rally in CSL, followed by Materials (+12.4%), while Consumer Discretionary (-7.3%) and Real Estate (-6.4%) fell. Within the ASX Small Ordinaries, Materials (+18.5%) led, followed by Energy (+10.6%), while Real Estate (-7.0%) and Consumer Staples (-1.6%) were the weakest sectors.

Portfolio Commentary

One of the largest contributors to performance for the month was Genesis Minerals (ASX: GMD), the gold miner. The share price ended the month up 43.9%. The company delivered a strong result during reporting season, with profit significantly higher year on year, while a broader gold price rally lifted the whole sector.

One of the largest detractors from performance for the month was Superloop (ASX: SLC), the telecommunications and broadband company. The share price ended the month down 10.0% despite a strong result that beat guidance, as gains were capped by profit-taking. The stock has been a long-term contributor to the fund and we remain confident in its long-term growth profile.

Outlook

As we move through the back half of 2026, the dominant uncertainties remain the same: whether AI infrastructure spending will generate the returns markets have priced in, and whether the Middle East conflict resolves or drags on.

Elevated inflation risk, higher cash rates and a softening GDP outlook argue for caution, although the US economy continues to show resilience. At the same time, small caps continue to trade at attractive discounts to large caps, which supports our longer-term outlook.

We have maintained our reduced software allocation as the debate around agentic AI continues to impact terminal values for incumbents. We have remained cautious on cyclical consumer-orientated exposures while 1-2 more RBA rate hikes remain on the cards.

Our focus remains on robust industrial businesses, with less macro sensitivity than the market. We will continue our disciplined approach, identifying growing businesses with idiosyncratic earnings drivers that we believe will ultimately find favour.

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Insights Subscribe

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

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