OPHIR

Ophir High Conviction Fund (ASX: OPH)

Investment Update | October 2026

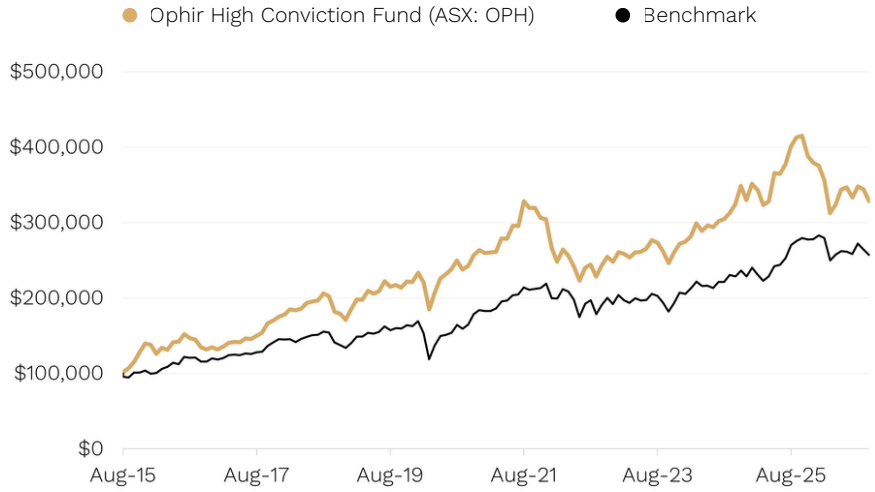
About the Fund

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	$586.3m	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 October 2026

	Since Inception p.a.	10Y p.a.	7Y p.a.	5Y p.a.	3Y p.a.	1Y	3M	1M
Fund Return (Net)	**11.2%**	**9.3%**	**6.3%**	**0.6%**	**10.1%**	**-20.8%**	**-1.3%**	**-4.4%**
Benchmark*	8.8%	8.3%	7.1%	3.9%	12.2%	-7.9%	-0.4%	-2.8%
ASX: OPH Unit Price Return	N/A**	N/A**	5.1%	-4.2%	8.6%	-26.0%	-12.2%	-6.3%

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 September 2026 updated quarterly.

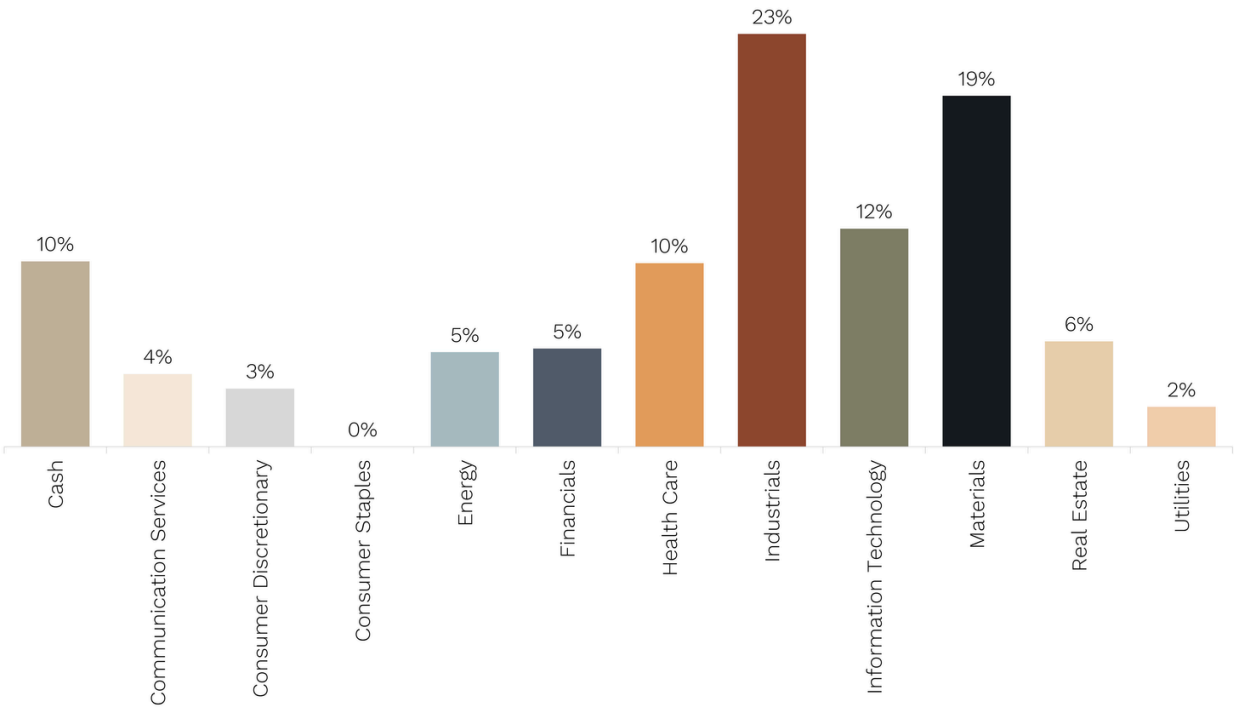
Company	GICS Sector / Industry	Ticker
Codan Ltd	**Information Technology** Electronic Equipment, Instruments & Components	CDA
Develop Global Ltd	**Materials** Metals & Mining	DVP
Dyno Nobel Ltd	**Materials** Chemicals	DNL
Rosebank Industries PLC	**Industrials** Electrical Equipment	ROSE
Service Stream Ltd	**Industrials** Construction & Engineering	SSM

Net Asset Value (NAV & Unit Price)

Unit Price	$2.63
ASX Share Price	$2.23

GICS Sector Exposure

Figures may not sum to 100% due to rounding.



Market Commentary

In “Catch Me If You Can” Leonardo DiCaprio’s character, a con man forging cheques, is one step ahead of Tom Hanks’ FBI character throughout the movie. Inflation has been the con man, and the world’s central banks the FBI, always a step behind.

The fugitive has been spotted everywhere. U.S. annual inflation jumped to 3.7% in September from 3.4%, which was hotter than expected and driven by a rebound in fuel prices. UK inflation rose to 3.5%. Eurozone CPI rose to 4.0% in October from 3.8%. Meanwhile, Australian inflation climbed to 4.3% from 4.0%.

Hanks got DiCaprio in the end. Central banks will be hoping they can do the same.

Parts of the AI trade were seen writing cheques their balance sheets can’t cash. CoreWeave, which rents out data-centre capacity, saw its bonds and shares plunge on fears it can’t service its debt. The selling spread to other “neocloud” names.

The bigger question is whether AI companies have a moat at all. Inference costs scale with usage, so more customers means more cost, not just more revenue.

Locally, Australia is similarly dubious of AI (and data centres). As we noted last month, the Firmus IPO fell through and Maas Group dropped 40%+ in the fallout.

NextDC’s share price has swung violently in the last few weeks. After an intense protest from the local community, Jemena (the energy provider) suspended a grid connection for NextDC’s M3 data centre. Shares fell 41.7% on the day. As a result, NextDC lowered its guidance, impacting its valuation.

Australian bond markets cooled off as the 10-year yield fell from a peak of 5.4% in early October to 5.0% at the time of writing. Australian equities broadly responded positively.

Small caps, however, underperformed large caps, with the S&P/ASX Small Ordinaries Index down 6.4%, driven predominantly by ASX Small Cap Resources (-13.9%) while the S&P/ASX 200 Index rallied 1.4%.

Regarding sector performance, Utilities was the biggest winner in the S&P/ASX 300 (+9.3%), followed by Financials (+6.9%), while Materials (-8.1%) and Technology (-2.0%) fell the most.

In the Small Ords, Consumer Staples rose (+3.6%), followed by Consumer Discretionary (+2.0%), while Materials (-15.4%) and Health Care (-11.8%) lagged.

At the macro level, the RBA lifted rates 25bps to 4.85%. Governor Bullock once again cited inflation and the Middle East conflict as the primary causes. The board was split six to three, and the RBA now expects inflation to stay above 3% for another year.

Unemployment sits at a five-year high of 4.7%. Inflation is still running. The RBA is still chasing.

Portfolio Commentary

One of the largest contributors to performance for the month was Life360 (ASX: 360), the family location services company. The share price rallied 11.2% over the month.

There was no material news, but the stock rebounded as part of the recent rally in software stocks. Life360 has been a material long-term contributor to the Fund and we are confident in its long-term earnings drivers.

One of the largest detractors from performance for the month was Codan (ASX: CDA), the gold detector and communications company. The share price fell 9.6% for the month on profit-taking after a run to record highs.

There was no major adverse company news. We remain confident in the long-term growth of the company due to extraordinary demand for its unmanned systems communications technology.

Outlook

Despite ongoing uncertainty in the Middle East and elevated inflation, bond yields are retracing and small caps continue to trade at very attractive discounts to large caps in Australia, supporting our outlook over the longer term.

After the latest RBA hike, we are likely near the top of the hiking cycle. We should start to see investors become more excited about what is on the other side for smaller companies.

We have maintained our reduced software and AI “picks and shovels” exposure as the AI debate continues. We have remained cautious on cyclical consumer-orientated exposures given the RBA rate hiking cycle.

History suggests domestic cyclicals bottom several months before the last RBA rate hike, so this segment bears watching closely now for opportunities.

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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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.

Contact Us

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E: ophir@ophiram.com

Unit Registry

P: 1300 408 787
E: ophir@automicgroup.com.au

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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