22 April 2021

Ophir High Conviction Fund (ASX:OPH) – Quarterly Webcast

Dear Investor,

At 2pm (AEST), Thursday 22nd April 2021, we will hold an investor webcast to provide an update on our funds, including the Ophir High Conviction Fund (ASX:OPH, "the Fund").

Please find below the key points we will convey at the webcast relating to the Fund.

1. Fund performance

The first quarter of 2021 has been enthralling for investors. In January, we witnessed the most shorted stocks in the US catapult upwards in a matter of days. The culprits were retail traders attempting to take on the US hedge funds, resulting in the latter racking up massive losses. The market moved past this historic event swiftly in February, with the focus turning to the global rollout of COVID-19 vaccines, low interest rates and Biden's $1.9 trillion fiscal package. Biden's stimulus plan was approved during March, a month where bond yields surged, reflationary expectations grew and vaccines continued to roll out globally.

For the quarter ending 31 March 2021, the Net Asset Value (NAV) of the Fund was down -0.7% (net of fees) with the OPH ASX unit price down -1.7%, compared to the benchmark which was up +1.1%.

2. Portfolio positioning

Over the quarter, given the reflationary and rising bond yield environment, we reduced our exposure to our most "expensive" stocks, or those stocks that trade at high market multiples. We added to companies which we think are either benefiting from structural changes that have been accelerated by COVID-19 or where we see demand returning to pre-COVID-19 levels.

We would like to reiterate that we do not make macroeconomic calls and position our portfolios in anticipation for these specific outcomes. We prioritise our efforts to bottom up research to better understand key business drivers and find quality under-priced companies before its true value is realised.

The portfolio in aggregate is positioned such that most of the underlying companies can grow irrespective of prevailing economic conditions.

3. Stock update

Uniti Group (UWL) is a company which sells fiber as a competing product to the National Broadband Network (NBN) for new apartments and housing developments. In our view, UWL had been doing a stellar job consolidating the industry until it hit a snag when it attempted to acquire Opticom last year, resulting in a short-lived bidding war with Aware Super.

We really like this business going forward as in our view they are a dominant player operating in a defensive and consolidated industry. We think they can significantly increase the share of new houses and apartments within the next 12 months.

Aware Super has already shown UWL is a company that is of interest to the major superannuation funds, and we expect to see interest grow over time as a potential acquisition target.

4. **OPH trading at a premium**

We are pleased the OPH share price has continued to trade at a premium to its Net Tangible Asset per share (NTA). Our goal is for the OPH share price to trade as close to the NAV of the Fund as possible.

5. **OPH buy-back facility**

We commenced utilising the buy-back facility for OPH during March 2020 as markets sold off during the early stages of COVID-19. We recently renewed the facility and will continued to utilise this where we see good value on offer in the OPH unit price. We have a process and rules in place for when we use the facility in the market to buy back OPH units. We remain committed to this facility and process and will continue to use this mechanism where we believe it is in the best interests of all unitholders and accretive to performance of the Fund over the long term.

We remain as hard working as ever to find and allocate to those small and mid-cap businesses listed in Australia that we believe can significantly grow earnings and provide attractive risk-adjusted returns over the medium to long term.

Your sincerely,

Andrew Mitchell & Steven Ng

Co-Founders & Senior Portfolio Managers
Ophir Asset Management

Ophir Asset Management
Level 26, Governor Phillip Tower
One Farrer Place
SYDNEY NSW 2000
ophiram.com

For further information, please contact:
George Chirakis
Chief Executive
Ophir Asset Management
george.chirakis@ophiram.com