

Total returns[†]

At 31 May 2026	1 Mth %	3 Mths %	1 Yr %	3 Yrs % p.a.	5 Yrs % p.a.	10 Yrs % p.a.	Incep % p.a. (Nov 2003)
OC Micro-Cap Fund	(1.2)	(11.4)	17.6	12.9	1.5	11.6	12.2
S&P/ASX Emerging Companies Accum.	1.0	(7.8)	35.7	17.0	8.9	11.2	7.1
Outperformance	(2.2)	(3.6)	(18.1)	(4.1)	(7.5)	0.3	5.2
S&P/ASX Small Ordinaries Accumulation	2.0	(6.1)	11.2	10.6	4.0	7.1	6.2
Outperformance	(3.2)	(5.3)	6.3	2.2	(2.5)	4.5	6.0

Performance review

Australian micro-cap equities bucked a challenging backdrop — Middle East ceasefire uncertainty, mounting macro headwinds, and a business and investor-unfriendly federal budget — to post a +1.0% gain in May. The OC Micro-Cap Fund finished the month -1.2% lower dragged down by disappointing earnings updates from certain portfolio positions. The Fund remains +17.6% over the past 12 months.

Webjet Group (WJL, -21.0%), Energy One (EOL, -12.3%) and Bhagwan Marine (BWN, -19.7%) each updated the market during the month with disappointing earnings guidance for FY26. Whilst the reasons for the slippages at WJL (weaker consumer and war related travel impacts) and EOL (contract delays) are understandable we were uncomfortable with the BWN explanation for their downgrade and we have exited the position. On the positive side of the ledger, **Shape Australia (SHA, +22.4%), Symal Group (+18.3%) and DUG Technology (DUG, +12.2%)** each provided positive trading updates to the market in May and the stocks responded accordingly. Selected resources exposures including copper plays **Hot Chilli (+17.6%) and Caravel (+9.8%)** and gold projects **Ballard Mining (+16.7%) and Forrestania Resources (+12.9%)** also performed well with the broader market continuing to focus on these particular commodity exposures.

Outlook

Three forces are likely to shape the near-term direction of Australian equities: the inflation trajectory and the RBA's response to it, the market's digestion of a reform-heavy federal budget, and the unresolved Middle East conflict that continues to lift energy prices and feed second-round effects through the cost base.

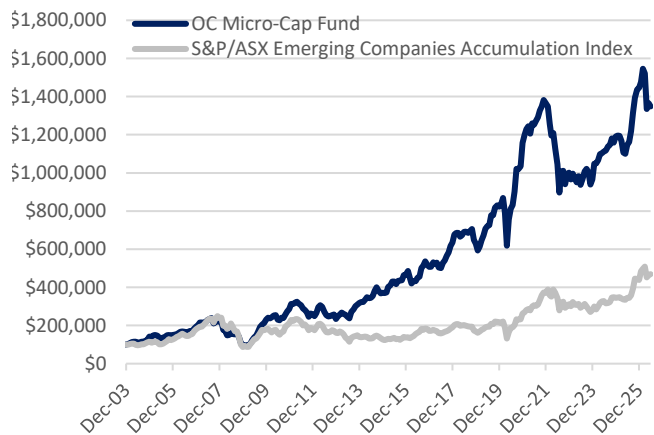
Domestically, conditions remain challenging. The RBA lifted the cash rate 25 basis points to 4.35% in May, its third consecutive hike, fully unwinding last year's easing as it confronts capacity pressures compounded by the oil shock. There was, however, an encouraging signal when April CPI eased to 4.2% from 4.6%, landing below forecasts and giving the Board scope to pause in June. Less helpful was Treasurer Chalmers' 12 May budget — framed as a "hard road to reform" — which delivered negative gearing changes on established dwellings, a tighter CGT discount and a new tax on discretionary trust distributions. However well intentioned the government believes these changes to be, the package erodes after-tax returns, blunts investment incentives and adds a clear drag for property, financials and savings-linked sectors, with the fuel excise relief

offering only a modest and temporary offset against the energy shock.

The contrast with the US is stark. With Kevin Warsh now installed as Fed chair, the market has settled around a steady federal funds rate for the balance of the year, pricing neither hikes nor cuts. US equities have powered to fresh records — the S&P 500 up around 5% and the Nasdaq more than 8% — driven by relentless AI infrastructure spend, while America's energy independence leaves it largely insulated from the oil shock now buffeting Australia. That combination of policy stability and a homegrown growth engine stands in sharp relief to Australia's own predicament and the Fund's stock positioning is reflective of this dynamic.

Encouragingly, the local market is showing resilience beneath the surface. The ASX 200 added 1.15% in May and the Emerging Companies Index performed similarly at 1.0%. If the RBA is near its peak and the energy shock fades, the backdrop favours disciplined, bottom-up stock selection — precisely the conditions in which quality small and micro-caps tend to re-rate.

Performance Comparison of \$100,000 Since Inception*



Top 5 holdings[#]

Company	ASX Code
Acusensus Limited	ACE
Forrestania Resources Limited	FRS
GenusPlus Group Ltd	GNP
Monash IVF Group Limited	MVF
Viva Leisure Limited	VVA

[#] 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 and primarily invests micro-cap securities listed, or near listing, on the ASX or the New Zealand Stock Exchange with sustainable business models and attractive investment qualities. OC will also invest in a small number of concept stocks that have robust business models and a pathway to profitability within five years and event driven and thematic stocks where we anticipate near term price appreciation. Micro-cap companies, for the purposes of the Fund, are companies with a market capitalisation of less than \$500 million at the time of the initial acquisition.

Responsible entity

Copia Investment Partners

Inception date

October 2016 as the OC Micro-Cap Fund. The Fund was previously the OC Concentrated Equity Fund which was established in December 2003.

Benchmark

S&P/ASX Emerging Companies Accumulation Index

Investment time frame

At least 5 years

Minimum investment

Initial: \$5,000

Additional: \$1,000

Distribution

Yearly

Management fee

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

Performance fee

20.5% (including GST net of RITC) on any performance (after deducting the management fee) above the Performance Hurdle, subject to the high-water mark and after recovering any past underperformance.

Performance hurdle

S&P/ASX Emerging Companies Accumulation Index

High-water mark

Yes

Typical Investment Exposure

Cash	0%-20%
Equities	70%-100%
Including:	
S&P/ASX 300 Constituents	0%-20%
Unlisted Securities	0%-10%
NZX/Foreign Listed Securities	0%-10%

Platforms

AMP MyNorth | BT Panorama | CFS First Wrap | Hub 24 | Insignia (Expand) | Xplore (Linear) | Macquarie | Netwealth | 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 as levied at the time. The index does not incur these costs. This information is provided for general comparative purposes. The returns for the OC Concentrated Equity Fund are used prior to the conversion to the OC Micro-Cap Fund. The inception date of the fund is 21/11/2003, the inception date of the index is 31/12/2003. *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 Emerging Companies 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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