OC Micro-Cap Fund

Fund Update | 31 October 2026

Total returns†

At 31 Oct 2026	1 Mth %	3 Mths %	1 Yr %	3 Yrs % p.a.	5 Yrs % p.a.	10 Yrs % p.a.	15 Yrs % p.a.	20 Yrs % p.a.	Incep % p.a. (Nov 2003)
OC Micro-Cap Fund	(5.9)	(1.3)	(18.1)	7.8	(3.2)	8.5	10.5	9.7	11.4
S&P/ASX Emerging Companies Accum.	(9.5)	(0.8)	(4.7)	15.9	2.5	8.8	5.6	4.7	6.5
Outperformance	**3.6**	**(0.5)**	**(13.4)**	**(8.1)**	**(5.7)**	**(0.3)**	**4.9**	**5.1**	**4.9**
S&P/ASX Small Industrials Accumulation	(2.8)	(3.8)	(17.9)	7.6	(1.7)	4.4	6.5	3.4	5.7
Outperformance	**(3.1)**	**2.5**	**(0.2)**	**0.2**	**(1.4)**	**4.2**	**4.0**	**6.4**	**5.7**

Performance review

Equity markets faced a difficult month as rising bond yields placed renewed pressure on long-duration growth assets. Technology and AI-exposed stocks sold off sharply as investors questioned stretched valuations and the funding requirements of AI infrastructure. This environment weighed heavily on the Fund's growth-oriented holdings. Against this backdrop the Fund returned -5.9% for the month, outperforming the S&P/ASX Emerging Companies Accumulation Index which fell 9.5% in October. Speculative early stage commodity stocks were sold off heavily during the month which weighed on the broader micro-cap index.

Data centre related bearishness impacted some recent portfolio winners as perceived 'picks and shovels' stocks, including **GenusPlus (GNP, -13.9%)**, **Mayfield Group (MYG, -26.4%)** and **Symal Group (SYL, -11.0%)**, were dragged lower during the month. These companies are all much more than just data centre proxies, in fact GNP has an immaterial exposure to the data centre sector, and we took the share price weakness as an opportunity to add to our holdings in the space. Our limited portfolio exposure to commodity stocks was sold off in line with the broader sector during the month, with holdings such as **Ballard Mining (BM1, -28.2%)**, **Hot Chilli (HCH, -14.9%)** and **Forrestania (FRS, -8.0%)** all finishing lower. These names are each rapidly advancing their projects and have near term positive share price catalysts, so we continue to hold them as our preferred exposures to the sector.

Outlook

The Australian equity market and the Fund have bounced back at the start of November, as several of the headwinds that weighed on October began to ease.

The US mid-term elections delivered a decisive result, with Democrats taking control of both the House and Senate. Markets welcomed the clarity of the outcome and President Trump's acceptance of it, with the S&P 500 recording one of its strongest post-midterm sessions in decades. Although divided government can create friction, policy gridlock has historically supported equities by constraining excess spending and providing a more predictable policy backdrop.

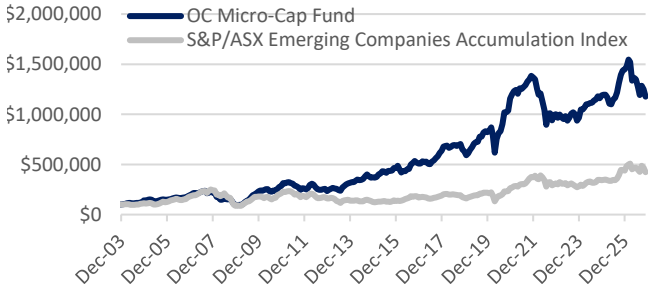
Markets have also moved to price in a negotiated resolution to the Iran conflict. The White House has linked its losses to the war, while the new Congress is expected to constrain the administration's approach. Brent crude has fallen sharply to around US$95 a barrel after ending October at a six-month high. If sustained, lower energy prices would ease a key source of inflationary pressure.

Bond yields have pulled back further in response, providing welcome relief for long-duration growth assets that bore the brunt of October's sell-off. That said, US centric technology stocks have seen heavy selling since the initial strong bounce in the market, with concerns that the Democrats' victory could bring tighter regulation of US data centres and AI and dampen semiconductor demand.

The US Federal Reserve held rates at 3.75–4.00% in October, although two members favoured a hike. In Australia, the RBA raised the cash rate to 4.85%, its fifth increase this year. However, the 6–3 voting split and removal of guidance on further tightening suggest the Australian cycle may be approaching its peak.

Following a challenging year for domestic micro-caps, we see grounds for optimism. The sell-off has left many quality smaller companies trading at valuations we regard as highly attractive, and we expect AGM season to affirm the operating strength of our holdings. Greater political willingness on both sides to negotiate a resolution in the Middle East could ease energy-driven inflation and reduce the need for further monetary tightening. If confidence grows that the rate cycle has peaked, we expect sentiment towards micro-caps to improve meaningfully. We believe the portfolio is well positioned to benefit.

Performance Comparison of $100,000 Since Inception*



Top 5 holdings#

Company	ASX Code
Acusensus Limited	ACE
Cedar Woods Properties Limited	CWP
Energy One Limited	EOL
Forrestania Resources Limited	FRS
Monash IVF Group Limited	MVF

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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