OC Mid-Cap Fund

Fund Update | 31 August 2026

Total returns†

At 31 Aug 2026	1 Mth %	3 Mths %	1 Yr %	3 Yrs % p.a.	5 Yrs % p.a.	10 Yrs % p.a.	15 Yrs % p.a.	Incep % p.a. (Nov 2023)
OC Mid-Cap Fund	3.7	4.3	(6.4)					7.9
S&P/ASX MidCap 50 Accumulation Index	5.8	8.0	2.6					13.7
Outperformance	**(2.1)**	**(3.6)**	**(8.9)**					**(5.8)**
S&P/ASX MidCap 50 Industrials Acc Index	(0.8)	6.4	(9.0)					9.0
Outperformance	**4.5**	**(2.0)**	**2.7**					**(1.2)**

Performance review

Gold and copper prices surged in August, lifting the major ASX indices, although headline strength masked a more mixed picture beneath the surface. In mid-caps, this saw the Mid-Cap Resources Index rise a striking 24.1%, while the Mid-Cap Industrials Index fell 0.8%. Against this backdrop, the OC Mid-Cap Fund returned 3.7%. The Fund lagged the broader mid-cap index given its structural resources underweight but finished materially ahead of the mid-cap industrials benchmark after an excellent reporting season.

Our thematic positions **(SFR/PDN/CMM/GMD, all +20%)** had a strong month as copper reached record highs on supply tightness and gold rallied early in August, supported by softer US inflation data and expectations of a more dovish Fed. Out-of-favour plumbing fittings manufacturer **Reliance Worldwide Corporation (RWC, +19.0%)** rallied sharply after announcing a proposal for a scheme of arrangement from Brookfield, including a "go-shop" provision to solicit competing bids. **Life360 (360, -21.0%)** fell after its second-quarter result beat revenue and user-growth expectations, but unchanged full-year guidance disappointed investors who had hoped for a stronger outlook.

Outlook

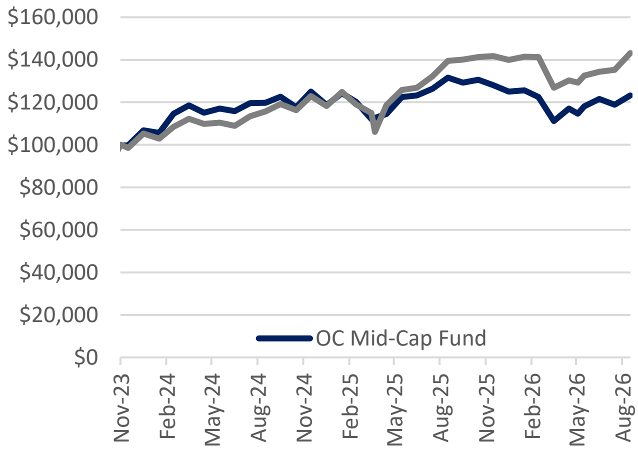
Markets are facing a challenging mix of softer growth and persistent inflation in both the US and Australia. In the US, cooling labour demand — with ADP reporting just 38,000 private jobs added in August — is coinciding with renewed energy pressure, limiting the Fed's scope to ease while higher mortgage rates continue to weigh on housing. In Australia, trimmed mean inflation is running above target at 3.6%, and stronger Q2 GDP has shifted the debate from near-term cuts toward the risk of a further hike, even as housing stays pressured and consumers keep trading down.

The clearest signal is coming from bond markets. The US 10-year yield reached 4.8%, its highest level since November 2023, while 30-year Treasuries moved above 5.2%, UK gilts traded at post-2008 highs and Japanese long bonds continued to adjust higher. This appears to be more than a short-term energy shock. Investors are demanding a higher term premium for fiscal deficits, reshoring and defence spending, suggesting inflation and rates may remain structurally higher than in the last cycle. For equities, that lifts discount rates and places greater pressure on long-duration valuations.

August reporting season reinforced this shift. Valuation dispersion across the ASX 200 narrowed during the month, with the premium attached to high-P/E stocks falling from almost 2.9x to 2.25x, below its twenty-year median. In practical terms, the market is becoming more valuation-sensitive, rewarding earnings delivery, cash generation and dividends ahead of growth narratives.

For mid-cap investors, we believe this backdrop is creating opportunities. Quality industrials have lagged the resources-led rally, while private capital is increasingly recognising value in listed assets, for example: Brookfield's proposal for Reliance Worldwide was struck at a 43% premium to the six-month VWAP, Dragoneer and KKR are paying a 51.9% premium for Steadfast, and EQT has shown interest in Cleanaway. In our view, these bids highlight the widening gap between short-term public market pricing and the long-term value of strong franchises. We used the dislocation during the month to add to conviction positions in several high-quality industrial names.

Performance Comparison of $100,000 since inception*



Top 5 holdings#

Company	ASX Code
Charter Hall Group	CHC
Genesis Minerals Limited	GMD
Mineral Resources Limited	MIN
NEXTDC Limited	NXT
Orica Limited	ORI

The top 5 portfolio holdings are in alphabetical order and may not be representative of current or future investments.

Key Facts

Fund Overview
By investing in high quality mid-capitalisation Australian listed companies with sustainable business models, quality management and attractive investment fundamentals, the OC Mid-Cap Fund seeks to deliver investors strong long-term returns.

Responsible entity
Copia Investment Partners

Inception date
16 November 2023

Benchmark
S&P/ASX MidCap 50 Accumulation Index

Investment time frame
At least 5 years

Distribution
Annual

Management fee
0.85% p.a. (including GST net of RITC)

Performance fee
15.38% (including GST net of RITC) of the amount the Fund outperforms its benchmark provided specific conditions are met including high water mark.

High-water mark
Yes

Platforms
HUB24

Typical Investment Exposure

By Style	
Up to 100%	Core Fundamental
0 - 10%	Innovators
0 - 10%	Event Driven
0 – 20%	Cash
By Index	
Up to 100%	S&P/ASX MidCap 50 Exposure
0 – 20%	S&P/ASX 50 Exposure
0 – 20%	Exposure outside S&P/ASX 100

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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. The index does not incur these costs. This information is provided for general comparative purposes. * 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 MidCap 50 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.

Past performance is not a reliable indicator of future performance. Positive returns, which the OC Mid-Cap Fund (the Fund) is designed to provide, are different regarding risk and investment profile to index returns. A performance fee of 20.5% is payable annually on any excess performance (after deducting the management fee) above the benchmark, S&P/ASX MidCap 50 Accumulation Index, to 30 June. A performance fee is only payable where the Fund has returned 5% or more since the last performance fee was paid. This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this article, readers should consider the appropriateness of the information to their needs. This may involve seeking advice from a qualified financial adviser. Copia Investment Partners Ltd (AFSL 229316, ABN 22 092 872 056) (Copia) is the issuer of the OC Mid-Cap Fund (ARSN OPS0472AU). A current PDS is available from Copia located at Level 47, 80 Collins Street (North Tower), Melbourne VIC 3000, by visiting ocfunds.copiapartners.com.au or by calling 1800 442 129 (free call). A person should consider the PDS before deciding whether to acquire or continue to hold an interest in the Fund. Any opinions or recommendation contained in this document are subject to change without notice and Copia is under no obligation to update or keep any information contained in this document current.

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