# OC Premium Small Companies 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. (Dec 2000) |
|---|---|---|---|---|---|---|---|---|---|
| OC Premium Small Companies Fund | (8.5) | (5.0) | (18.5) | 2.9 | 0.4 | 5.6 | 9.2 | 5.2 | 9.1 |
| S&P/ASX Small Ordinaries Accumulation | (6.4) | (3.9) | (14.4) | 10.0 | 0.6 | 5.9 | 4.8 | 3.1 | 5.6 |
| **Outperformance** | **(2.1)** | **(1.1)** | **(4.1)** | **(7.1)** | **(0.3)** | **(0.3)** | **4.4** | **2.1** | **3.5** |
| S&P/ASX Small Industrials Accumulation | (2.8) | (3.8) | (17.9) | 7.6 | (1.7) | 4.4 | 6.5 | 3.4 | 5.3 |
| **Outperformance** | **(5.7)** | **(1.2)** | **(0.6)** | **(4.7)** | **2.1** | **1.2** | **2.7** | **1.8** | **3.8** |

## 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 -8.5% for the month, underperforming the S&P/ASX Small Ordinaries Accumulation Index and the S&P/ASX Small Industrials Accumulation Index, which fell 6.3% and 2.8%, respectively.

**NEXTDC (NXT, -45.8%)** fell sharply in October after a power delay at M3 Melbourne forced a cut to FY27 guidance. It has since rebounded strongly in November after Goodman Group and Digital Realty bought into the register at $9.50, a 45% premium, underscoring its strategic value. **Maas Group (MGH, -45.6%)** also suffered a steep decline after Firmus, in which it holds a 3.2% stake, withdrew its ASX float, prompting the market to mark down the investment. The company has since been actively buying back shares. **SiteMinder (SDR, +24.5%)** rallied in late October after its AGM clarified guidance: compound annual recurring revenue (ARR) growth in the mid-20s through FY30, compared with "in the 20s" previously.

## 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.

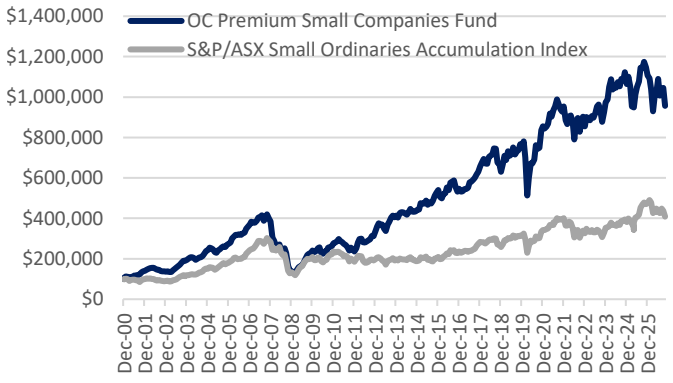
Markets have also moved to price in a negotiated resolution to the Iran conflict. The White House has linked its losses to the war, while the new Congress is expected to constrain the administration's approach. Brent crude has fallen sharply to around US$95 a barrel after ending October at a six-month 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 small 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 small 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 |
|---|---|
| Breville Group Limited | BRG |
| Codan Limited | CDA |
| GenusPlus Group Ltd | GNP |
| Kelsian Group Limited | KLS |
| Reliance Worldwide Corporation Limited | RWC |

# 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 unit trust. It primarily invests in 30 to 50 quality small to medium-sized Australian companies with sustainable business models, quality management and attractive investment fundamentals that are listed, or about to list, on the ASX.

**Responsible entity**
Copia Investment Partners

**Inception date**
December 2000

**Benchmark**
S&P/ASX Small Ordinaries Accumulation Index

**Investment time frame**
At least 5 years

**Distribution**
Half-yearly

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

**Performance fee**
20.5% (including GST net of RITC) of the amount the Fund outperforms its benchmark provided specific conditions are met including a minimum absolute 5% return.

**Performance hurdle**
S&P/ASX Small Ordinaries Accumulation Index

**High-water mark**
Yes

**Typical Investment Exposure**

| | |
|---|---|
| Cash | 0%-20% |
| Equities | 80%-100% |
| Including: | |
| S&P/ASX 100 Constituents | 0%-20% |

**Platforms**
AMP MyNorth | Grow Wrap | Asgard | BT Panorama | CFS First Choice | CFS First Wrap | Hub 24 | Insignia (Expand) | Xplore (Linear) | Macquarie | MLC/Navigator | Netwealth | OneVue | Powerwrap | Praemium | DASH | Mason Stevens

Highly Recommended Lonsec PLATINUM 5 Consecutive Years 2020 - 2024 OC Premium Small Companies Fund

5 Highly Recommended Lonsec Research

Zenith RECOMMENDED

FUND MANAGER OF THE YEAR AWARDS WINNER 2024

MORNINGSTAR Awards 2023 Finalist

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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 Small Ordinaries 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 Premium Small Companies 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 Small Ordinaries 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 Premium Small Companies Fund (ARSN 098 644 976). 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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