

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. (Dec 2000)
OC Premium Small Companies Fund	3.1	1.9	(9.4)	2.5	1.0	6.0	9.7	9.5
S&P/ASX Small Ordinaries Accumulation	5.2	(0.2)	(1.2)	9.8	2.2	6.5	5.2	6.0
Outperformance	(2.1)	2.0	(8.2)	(7.2)	(1.2)	(0.5)	4.5	3.5
S&P/ASX Small Industrials Accumulation	0.2	1.1	(13.9)	4.6	(1.3)	4.3	6.7	5.5
Outperformance	2.9	0.8	4.5	(2.1)	2.3	1.7	3.0	4.0

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. Gold was the standout contributor in small caps, with the S&P/ASX Gold Index up 28.9% and helping the Small Resources Index rise 17.5%, while the Small Industrials Index edged up 0.2%. Against this backdrop, the OC Premium Small Companies Fund returned 3.1%. The Fund lagged the broader small-cap index given its mandated resources underweight but finished materially ahead of the small industrials benchmark after an excellent reporting season.

Fleet leasing and administration company **FleetPartners Group (FPR, +47.7%)** received four competing takeover proposals during the month, highlighting the value being recognised in parts of the portfolio. In an industry ripe for consolidation, we view a transaction as likely to complete. Counter-drone defence technology company **Electro Optic Systems (EOS, +46.8%)** delivered its maiden positive underlying EBITDA result of \$21.6m on revenue of \$168.8m, supported by a record \$846m order backlog. EOS's FY26 revenue guidance of \$360–400m provides support for our investment thesis. Travel-exposed companies **Flight Centre (FLT, -10.8%)** and **SiteMinder (SDR, -10.4%)** detracted after weaker-than-expected FY26 results and modestly lower guidance, partly reflecting a softer travel market.

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.

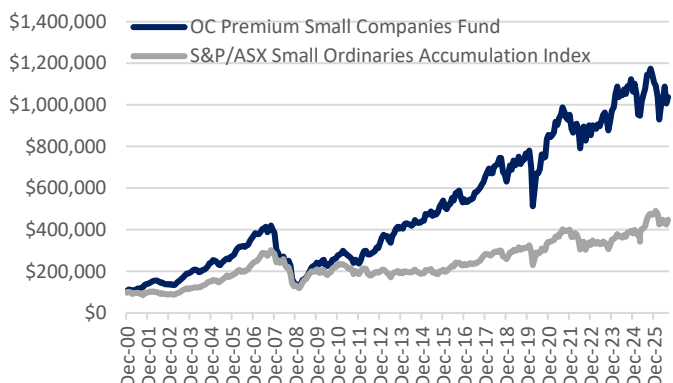
The clearest signal is coming from bond markets. The US 10-year yield reached 4.8%, its highest level since November 2023, while 30-year Treasuries moved above 5.2%, UK gilts traded at post-2008 highs and Japanese long bonds continued to adjust higher. This appears to be more than a short-term energy 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 small-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
Breville Group Limited	BRG
Codan Limited	CDA
Genusplus Group Ltd	GNP
Kelsian Group Limited	KLS
ZIP Co Limited.	ZIP

[#] 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



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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.

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