

# Ophir Asset Management US LLC

## Part 2A of Form ADV

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This brochure provides information about the qualifications and business practices of Ophir Asset Management US LLC (“**Ophir US**”). If you have any questions about the contents of this brochure, please contact us at +1 (720) 615 1165. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about Ophir US is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

Ophir US is submitting an other-than-annual update to this brochure. Clients and prospective clients should carefully review the disclosure contained herein. There were some material change made to this brochures since Ophir's last annual amendment filed in March 2022.

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## Item 4. Advisory Business

Ophir US is based in Denver, Colorado and is wholly owned by Ophir Asset Management Pty Ltd. (“**Ophir AU**,” and together with Ophir US, “**Ophir**”), as trustee for a trust, the beneficiaries of which are the founding directors, Senior Portfolio Managers, and sole shareholders of Ophir AU, Steven Ng and Andrew Mitchell. Ophir AU, an Australian private company, is a specialist investment management business focusing on the listed equities space.

Ophir US investment professionals provide research and investment advisory services to Ophir AU on behalf of Ophir Global Opportunities Fund and Ophir Global High Conviction Fund (together, the “**Global Funds**”). The Global Funds are Australian-domiciled, pooled investment vehicles formed as unit trusts that are publicly offered to investors in Australia and are not offered to US persons for investment. A third party, The Trust Company (RE Services) Limited unaffiliated with Ophir serves as Responsible Entity for the Global Funds and is responsible for their operations, and that third party has appointed Ophir AU as investment manager to manage the assets of the Global Funds. Ophir AU will appoint Ophir US as a subadvisor to manage the assets of the Global Funds on a discretionary basis as further described below.

Ophir US is registered with the SEC and provides advisory services under a sub-advisory agreement to the assets of the Global Funds on a discretionary basis, and no assets under management on a non-discretionary basis. As of December 31, 2021, the combined assets under management of the Global Funds were US\$859,675,908.

Ophir AU has no US clients in the United States and is exempt from SEC registration. In the future, in the event that Ophir sponsors one or more private funds offered to US persons, Ophir AU may file as an exempt reporting adviser under the “private fund adviser exemption,” as found in Section 203(m) of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) and Rule 203(m)-1 adopted thereunder. Ophir AU holds an Australian Financial Services License (AFSL 420082) issued by the Australian Securities & Investments Commission (“**ASIC**”).

## Item 5. Fees and Compensation

Ophir US is compensated by Ophir AU for its services via a cost reimbursement calculation. Ophir US does not charge any other fees or expenses directly to clients. Information on fees and expenses paid by Ophir AU clients will be outlined in the relevant advisory agreements and/or offering documents.

In the future, to the extent Ophir US enters into investment advisory or sub-advisory agreements with U.S. clients, all fees and compensation to be received by Ophir US will be outlined in the relevant investment advisory agreements and/or offering documents, as applicable.

## Item 6. Performance Based Fees and Side-by-Side Management

Currently, Ophir US does not directly charge any client any performance-based fees. Ophir AU is entitled to earn performance-related compensation from the Global Funds as well as other client portfolios.

## Item 7. Types of Clients

Ophir US provides advisory services to Ophir AU on behalf of the Global Funds. A third party, The

Trust Company (RE Services) Limited,, unaffiliated with Ophir, serves as Responsible Entity for the Global Funds and is responsible for the funds' operations. In addition to the Global Funds, Ophir AU also currently provides investment management services to other non-U.S. pooled investment vehicles domiciled in Australia which are targeted toward non-U.S. investors.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

The Global Funds' portfolios will be managed on a joint basis by portfolio managers of Ophir AU and Ophir US. Investment decisions will generally be made together by both teams, and trades may then be sent to brokers for execution by either team, subject to the discretion of senior portfolio managers of the Australian team to override any investment decisions that may, from time to time, be made independently by the US team due to time differences.

### Principal Investment Strategy

Ophir focuses on providing clients with a concentrated portfolio of equity securities issued by growth companies within the small- and mid-cap space. Ophir employs a fundamental, bottom-up research approach to identify businesses that are mispriced by the market, and that have the ability to meaningfully grow and compound earnings over time.

### Methods of Analysis

Ophir spends considerable time understanding the quality of the business so it can value it appropriately. There are five key elements to Ophir's investment process:

- (1) Company Visitation: Ophir conducts one-on-one meetings with companies in our investible universe, their competitors, suppliers and any other interest groups which may provide insights into the business..
- (2) Qualitative Assessment: Ophir must be satisfied that it can understand what the business does, how it generates cash and how sustainable and predictable these cash flows are. Ophir subsequently considers the industry structure, the company's market position, its business strategy and any commercial trends that could be affecting it.
- (3) Management: Ophir places great emphasis on the strength and capability of management. Consequently, significant time is spent assessing management's track record, competence and experience.
- (4) Financial Modelling: Ophir models the key financial statements of the companies in its investable universe as it is important to understand the drivers of the business and how they are affected when key assumptions change. Ophir also assesses the strength of the balance sheet and evaluates any trends in operating efficiency, for example changes in operating margins and return on capital.
- (5) Valuation: Ophir uses a variety of valuation techniques as each company has different drivers depending on the industry it operates in. The most common methodologies utilized are enterprise value multiples, free cash flow yields, discounted cash flow, price to earnings multiples and dividend yield.

### Risk of Loss

The equity-focused investment strategy pursued by Ophir is subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest.

The descriptions contained below are a brief overview of certain risks associated with equity investing; however, they are not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of Ophir. Investors are advised to refer to the pertinent offering documents for a pooled vehicle, or investment advisory agreement for a more fulsome discussion of the associated risks for a particular strategy.

#### Currency Exchange Rates

Currency fluctuations may adversely affect the value of a client's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of their investment.

#### Individual investment risk

There is no guarantee that the client accounts' asset allocation strategy and individual investment selections will provide positive investment performance at all stages of the investment cycle.

#### Market risk

Economic, technological, climate, political or legal conditions, interest rates and even market sentiment, can (and do) change, and changes in the value of investment markets which can affect the value of the investments in the client accounts.

#### Investment management risk

There is a risk that Ophir will not perform to expectation or factors such as changes to the investment team may affect the client accounts' performance.

#### Risks of Investment in Small Capitalization and Mid-Capitalization Issuers

The pursuit of the client accounts' investment strategy may result in a portion of the client accounts' assets being invested in financial instruments of small-cap and mid-cap issuers. Financial instruments of small and mid-cap issuers pose certain distinctive risks. Some small and mid-cap issuers have limited product lines, markets or financial resources. They may be subject to high volatility in revenues, expenses and earnings. They may be dependent for management on one or a few key persons, and can be more susceptible to losses and risks of bankruptcy. Their financial instruments may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in financial instruments of larger-cap issuers. In addition, small and mid-cap issuers may not be well-known to the investment public and may have only limited institutional ownership. The market prices of financial instruments of small and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in financial instruments of small and mid-cap issuers may be higher than in those of large-cap issuers.

#### International investment risk

The client accounts may invest in assets that are denominated in currencies other than that of the client accounts, which will give rise to currency exposure. There is a risk that currency fluctuation may adversely impact the value of any such positions. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase and has the potential to increase

the value of the client accounts' investments. Conversely, if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease and this has the potential to reduce the value of the client accounts' investments. The client accounts may from time to time, but are generally not expected to be currency hedged. Where the client accounts' foreign currency exposure is hedged, it is typically hedged using forward foreign exchange contracts. These contracts will generally be of limited duration and reset regularly, resulting in a cash receipt or cash payment by the client accounts. The contracts are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a client account has unrealized gains in such instruments or has deposited collateral with its counterparty(ies) such client account is at risk that its counterparty may fail to honor its obligations. Further, any hedge may not provide complete protection from adverse currency movements. Currency markets can be extremely volatile and are subject to a range of unpredictable forces.

#### Concentration risk

The client accounts may invest a relatively high percentage of their assets into a relatively small number of securities, or into securities with a relatively high level of exposure to the same sector. This may cause the value of a client account's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.

#### Liquidity risk

Access to invested capital may be delayed. Overall market liquidity may contribute to the profitability of the client accounts and access to invested capital. Investors may not be able to liquidate their investments promptly where stocks in the portfolio are considered illiquid due to market or economic events. Although generally not expected, a portion of the client accounts could consist of unlisted investments that are generally illiquid.

#### Cybersecurity Breaches

Ophir and the client accounts, like all businesses dependent on information technology systems, are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data, as well as misappropriation of confidential information. If a cybersecurity breach occurs, the client accounts may incur substantial costs (on behalf of the client accounts or Ophir), including those associated with: forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, investment losses from sabotaged trading systems, identity theft; unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information, and reputational damage. Breaches in cybersecurity during the client accounts' trading could also result in investor information being hacked, which could result in losses to the client accounts. Any such breach could expose Ophir and the client accounts to civil liability, as well as regulatory inquiry and/or action. Any such breach could also cause substantial withdrawals from the client accounts. In addition, investors could be exposed to further losses as a result of unauthorized use of their personal information. Ophir maintains adequate insurance coverage, relative to business risks and the nature, size and scale of the business.

#### Regulatory risk

This is the risk that the value or tax treatment of either a client account itself or investments of the client account, or the effectiveness of the client account's trading or investment strategy may be adversely affected by changes in government (including taxation) policies, regulations and laws (including those affecting registered managed investment schemes), or changes in generally accepted accounting policies or valuation methods.

#### Key Personnel risk

Only a small number of investment professionals are responsible for managing the client accounts and their personal circumstances can change or they may cease to be associated with the Firm. This may have an adverse impact on the client accounts as the performance of the client accounts depends on the skills and experience of personnel.

#### Derivative risk

The client accounts may use exchange-traded derivatives in certain limited circumstances for hedging purposes only.

#### Taxation risk

Changes to taxation, legislation or their interpretation may impact adversely upon your after-tax returns.

#### Economic risk

Investment returns are affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general share market conditions, government policies and the general state of the domestic and world economies.

#### Potential Inability to Trade, Report or Manage Risk Due to Systems Failure

The strategies implemented on behalf of the client accounts are dependent to a significant degree on the proper functioning of Ophir's internal and external computer, communication and information technology systems. Further, Ophir conducts its operations on behalf of the client accounts in more than one office around the world, each of which relies upon the proper functioning of the firm's global technology infrastructure. Accordingly, systems failures, whether due to third-party failures upon which such systems are dependent or the failure of the Firm's or a third-party's hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade or manage risk (even for a short time), could, in certain market conditions, cause the client accounts to experience significant trading losses, to miss opportunities for profitable trading or to become exposed to particular risk exposures. Any such systems failures also could cause delays in generating reports for investors.

#### Remote Employees

As of the date of this brochure, as a result of the Coronavirus (or COVID-19) pandemic, certain of Ophir's employees are working in a hybrid remote and office arrangement. In order for remote work to be successful, Ophir's technologies and other operational infrastructures must function properly. Any failure in the proper functioning of such technologies or other operational infrastructures could disrupt such employees' abilities to adequately carry out their functions, which may result in losses to the client accounts.

#### Market Disruption risk

Geopolitical and other events such as earthquakes, hurricanes, war, terrorism, economic uncertainty, trade disputes, public health crises and other unforeseen natural or human disasters have had, and in the future may have, broad adverse social, political, and economic effects on the global economy, which could negatively impact the value of the client accounts' investments. Such events include the recent pandemic spread of a novel coronavirus and the related disease known as COVID-19, which has had a severe and disruptive effect on global markets and economies, the full impact and duration of which has yet to be determined. Market disruptions resulting from the current pandemic could have negative effects on the client accounts, including with respect to the liquidity and valuation of the client accounts' portfolios, and could have the effect of magnifying other risks faced by the client accounts. Such

disruptions could interfere with a client account's ability to execute its investment strategies and impede a client account's ability to meet its investment objective.

## **Item 9. Disciplinary Information**

Ophir US does not have any disciplinary information to be disclosed.

## **Item 10. Other Financial Industry Activities and Affiliations**

As noted above, Ophir US is wholly owned by Ophir AU, as trustee for a trust, the beneficiaries of which are the founding directors, Senior Portfolio Managers, and sole shareholders of Ophir AU, Steven Ng and Andrew Mitchell. Ophir AU, an Australian private company, is a specialist investment management business focusing on the listed equities space.

Ophir US is SEC registered as an investment adviser.

Ophir AU has no US clients in the United States and is exempt from SEC registration. In the future, in the event that Ophir sponsors one or more private funds offered to US persons, Ophir AU may file as an exempt reporting adviser under the "private fund adviser exemption," as found in Section 203(m) of the Advisers Act and Rule 203(m)-1 adopted thereunder. Ophir AU holds an Australian Financial Services License (AFSL 420082) issued by ASIC.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Ophir US has adopted a Code of Ethics, Conflicts of Interest Policy, Insider Dealing Policy, and Personal Account Dealing policy which together, among other things, contain provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by Ophir US or securities holdings of advisory clients and (iii) identify conflicts of interest, including monitoring of gifts and pay-to-play issues that could arise due to political donations by Ophir US or its personnel.

### Personal Trading Policy and Procedures

Ophir US has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act, which is predicated on the principal that Ophir US owes a fiduciary duty to its clients. Accordingly, Ophir US and its employees must act in the best interest of its clients and avoid or mitigate material conflicts of interest.

To avoid potential conflicts of interest involving personal trades, Ophir does not permit any personal dealing in any listed or unlisted equities domestic and global securities. For clarity, this prohibition extends to: large proprietary companies; public companies; mutual funds, exchange traded funds and all derivative instruments, including both listed and unlisted derivatives such as Contracts for Difference (CFDs) and also any type of cryptocurrency.

This also extends to any Ophir staff that have self-managed superannuation funds / 401Ks where control can be exercised.

Any historical domestic or global listed or unlisted equities securities must be grandfathered and



recorded in the Trading Register. No further investments are to be made. Ophir staff must notify the Directors, Compliance and the Dealers prior to selling any positions. This applies to Ophir staff and spouses / defacto partners.

Employees are prohibited from participating in Initial Public Offerings (“IPOs”). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List. Employees must also report their personal securities transactions and holdings to Ophir US on a quarterly basis. Thus, Ophir US is able to monitor employees’ personal transactions in an effort to identify potentially abusive or conflicting transactions.

A copy of Ophir US’s Code of Ethics will be provided to any client or prospective client upon request.

## **Item 12. Brokerage Practices**

### Best Execution and Broker Selection

When allocating trades to brokers, Ophir US will seek best execution at all times. The following factors can be used as a guide to ascertain which broker(s) will be able to achieve best execution for individual trades:

- Cost of execution
- Access to lines of stock currently in traded stock
- Current flows in traded stock
- Level of trusted relationship with broker
- Previous flows in the traded stock
- Research in traded stock

The process for evaluating brokers (either new or existing) will include an assessment of the following criteria:

- Cost of execution
- Trade execution performance
- Access to lines of stock
- Quality of research
- Corporate access and deal flow
- Settlements and clearing

### Broker Evaluation

Key brokers will be monitored and evaluated based on certain predetermined criteria, including those noted above, each quarter by each of the portfolio managers and the trader. Allocation of brokerage for the following quarter will then generally be determined by the results of such evaluations. Historical trade and brokerage data allow Ophir US to monitor the percentage allocation of brokerage paid and measure it against the targeted allocation identified in the previous quarter. To the extent deemed appropriate, any adjustments in the following quarter will be made to account for under/over-allocation or to account for a change in broker performance.

In addition, brokers may be reviewed formally at least once per year whereby feedback is given including:

- Indicative indication of ranking relative to other brokers

- Review current service levels against aforementioned, predetermined criteria
- Discuss issues that have arisen during the year and resolution process
- Business update (e.g., new products, business continuity planning tests, corporate updates, etc.)

#### Aggregation and Allocation

Ophir's policy is to aggregate portfolio transactions where possible and when advantageous to all clients involved. Investment opportunities will be allocated on a basis believed to be fair and equitable over time. The portfolio management team will take steps to ensure that no Client portfolio will be systematically disadvantaged by the aggregation, placement, or allocation of trades. Subject to certain exceptions with respect to new mandates, trades that are initiated within a single strategy are generally allocated using a 'most imbalanced' method, such that securities are allocated to the most under/overweight portfolio first to equalize the weights. The balance of securities, if any, will generally be allocated proportionally on a pro-rata basis. Trades that are across multiple strategies are generally allocated pro-rata based on order size.

#### Cross Trading and Principal Trades

Where appropriate, a security may be bought on behalf of one client's portfolio from another client's portfolio and the trading commission thereby largely eliminated. For example, Ophir may engage in the practice of cross trading in order to "rebalance" the portfolios as a result of monthly inflows or outflows. Ophir has adopted policies and procedures designed to appropriately manage the conflicts associated with such transactions. Ophir only engages in principal transactions as described in Section 206(3) of the Advisers Act, if at all, in compliance with the disclosure and consent requirements of that section of the Advisers Act. For the purposes of Section 206(3) of the Advisers Act, Ophir treats investment funds and other pooled vehicles in which it has a direct or indirect ownership interest of 25% or more of the outstanding ownership interests (excluding carried profits or similar interests) as principal accounts, and it regularly monitors the ownership interests in such clients in connection therewith.

#### Trade Errors

Ophir endeavors to detect trade errors prior to settlement and correct them in an expeditious manner. Ophir's general policy is to seek to investigate and resolve trade errors in a timely manner.

#### Soft Dollars

Ophir US may from time to time, enter into soft dollar agreements with respect to the provision of obtain investment research from certain of its counterparties and other third party providers. Any such arrangements will generally be consistent with guidance from the SEC, including Section 28(e) of the Securities and Exchange Act of 1934.

### **Item 13. Review of Accounts**

Ophir portfolio managers review client accounts on an ongoing basis. In addition, a third party service provider conducts an independent daily review of all client portfolios.

Ophir US does not provide clients with regular reporting, but may provide certain information to clients upon request.

### **Item 14. Client Referrals and Other Compensation**

Ophir has not engaged any third parties to solicit clients or investors.

## **Item 15. Custody**

Ophir US does not currently have and does not expect to have SEC-defined custody of any client assets, and it ensures that client cash and securities are preserved in the safekeeping of qualified custodians. In addition, audited financial statements of the Global Funds will be available to investors in the Global Funds following the end of each fiscal year.

## **Item 16. Investment Discretion**

Ophir US exercises investment discretion with regard to the portfolios of the Global Funds. Client portfolios will be managed on a joint basis by portfolio managers in both the US and Australia. Investment decisions will generally be made together by both teams, and trades may then be sent to brokers for execution by either team, subject to the discretion of senior portfolio managers of the Australian team to override any investment decisions that may, from time to time, be made independently by the US team due to time differences.

## **Item 17. Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 under the Advisers Act, Ophir US has adopted and implemented written policies and procedures governing the proxy voting of client securities or acting with respect to corporate actions. Ophir's policies are aimed to ensure that decisions are made solely in the best interest of its clients. A copy of such policies and procedures will be available upon request, as well as a record of all votes cast on behalf of the Firm's clients.

## **Item 18. Financial Information**

Ophir US has never filed for bankruptcy and is not aware of any financial condition that is likely to impair its ability to provide services to clients.