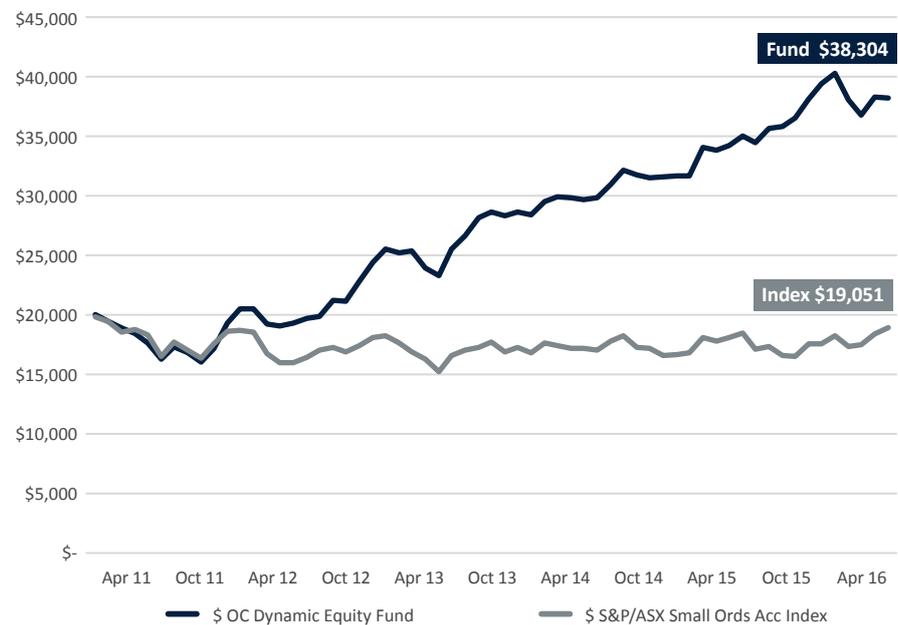



 Fund down -0.2%
 in April after a
 volatile quarter


 Returned 14.8% p.a.
 for the past three
 years


 Fund remains
 well positioned to
 deliver strong long-
 term returns

Performance comparison of \$20,000 over 5 years*



Total returns

At 30 April 2016	1 mth %	3 mths %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	7 yrs % p.a.	10 yrs % p.a.	Incep. p.a. % (Dec 2000)
OC Dynamic	-0.2	0.4	0.2	11.7	14.8	13.9	20.6	6.1	12.7
S&P/ASX Small Ords Accum	3.0	9.7	8.2	5.1	4.2	-1.0	5.6	0.5	5.3
Outperformance	-3.2	-9.3	-8.0	6.6	10.7	14.9	15.0	5.6	7.4
S&P/ASX Small Ind Accum	0.5	4.8	5.1	6.4	7.8	8.1	11.2	2.8	6.0
Outperformance	-0.7	-4.4	-4.9	5.3	7.0	5.8	9.4	3.3	6.7

Performance review

Following a volatile opening quarter of the calendar year, the OC Dynamic Equity Fund finished the month down 0.2%. This was behind both the S&P/ASX Small Ordinaries Accumulation Index and the S&P/ASX Small Industrials Index which returned +3.0% and +0.5%, respectively. Resource stocks again drove the strong performance of the S&P/ASX Small Ordinaries Accumulation Index with the S&P/ASX Small Resources Accumulation Index finishing the month up 16.3%, taking this index's three-month return to an incredible 43.0%.

Notwithstanding the disappointing near-term numbers, the Fund has a strong long-term track record having returned +14.8% p.a. over the past three years. This is well ahead of both the S&P/ASX Small Ordinaries Accumulation Index and the S&P/ASX Small Industrials Index which have returned +4.2% and +7.8%, respectively, over the same period.

Burson Group (BAP) (+8.0%) – listed on the ASX around two years ago and since then, the management team has not set a foot wrong in consistently bettering market

expectations in terms of earnings and making a material strategic acquisition along the way. At the time of its IPO, the market capitalisation of BAP was just under \$300m and now it is in excess of \$1b. OC prides itself on being able to identify small companies capable of growing into much larger companies and we think Burson Group (soon to be renamed Bapcor) is a great example. At an investor day held during the month, management articulated a clear strategy to grow each of its key business units and cement itself as Australasia's leading provider of after-market parts, accessories and services. Management also delivered a strong affirmation of earnings guidance at this time and BAP remains a core holding of the Fund.

Silver Chef (SIV) (+8.3%) – was one of the bright spots for the portfolio after it raised money in late March to fund its offshore expansion and the ongoing growth of its domestic business. The March capital raising followed on from SIV's interim result which was ahead of expectations and where the company guided for a better full-year forecast than the market had factored in. SIV, which has been a long-term holding of OC, provides equipment funding to small and medium-sized businesses and originally focused solely on the hospitality sector.

SIV has more recently expanded its offering outside the hospitality sector to the broader commercial/ industrial space through its GoGetta brand and has also launched in Canada in recent years. Both GoGetta and the Canadian business are growing rapidly and with the core business also performing well, we expect SIV's asset base to continue to expand and its strong earnings momentum to continue.

MACA Limited (MLD) (+22.1%) – although the Fund does not invest directly into single commodity or single mine resource stocks, it does have exposure to the commodities thematic through this quality mining services business. MLD's commodity exposure is predominantly across gold and iron ore; the prices of which have each been heading higher in recent months. Additionally, MLD has a well-diversified client base operating across more than 10 mine sites in Australia and at a large gold mining operation in Brazil (Beadell's Tucano mine). MLD is well regarded as one of the best-in-class contract miners and ore crushers in Australia. Our channel checks suggest MLD has an excellent reputation among its clients and it typically operates in partnership with these clients under long-term contracts. Importantly, MLD has a strong "net cash" balance sheet that positions the business well to weather any protracted commodities downturn. We have lightened our holding in MLD into the ongoing strength of its share price which is at least partially being driven by the strong rebound in the prices of iron ore and gold.

Blackmores (BKL) (-9.1%) – the iconic Australian natural health company was a stand-out share market performer in CY15 as the share price experienced a very strong re-rating (+512%) driven largely by Chinese demand for the company's premium 'clean and green' Australian-made products. More recently, the share price had pulled back due to concerns about disruption within its Chinese distribution channels brought about by tax and regulatory change. Our recent visit to China and discussions with industry players and government officials has led us to conclude that these risks are overstated. Furthermore, our site visit last week to BKL's operations in the north of Sydney and our recent engagements with management affirm our view that BKL represents outstanding value for a company with such high long-term growth potential. We think Chinese demand for BKL's key products will continue to grow, fuelled by the emerging middle class and the company has a very sophisticated Chinese distribution network through which it can service this demand.

Apium Animal Health (AHX) (+6.1%) – is a production animal health business that we hold in the Emerging Leaders section of the portfolio following its IPO in mid-December 2015. AHX is a vertically integrated business

providing a range of products and services to support the health and wellbeing of production animals (i.e. beef and dairy cattle, sheep, poultry and pigs). AHX has strong presence on Australia's east coast, an outstanding management team and solid growth prospects, which we expect will lead the company to outperform over the medium to long term. During the month, we also met with management of another Emerging Leaders holding, National Veterinary Care (NVL), and visited their head office and training facility in Brisbane. AHX and NVL are great examples of the stocks we look to hold in the Emerging Leaders section of the portfolio. The stocks have a relatively small market capitalisation (around \$100m), have sound management and a growth strategy capable of seeing them become much larger businesses in the future.

Outlook

The May federal budget was largely considered to be a benign event for equity markets, and indeed the broader economy. This was understandable given the unusual circumstance of a federal election immediately following the budget and the government not willing to impose any tough new fiscal measures on the electorate so soon before going to the polls. We did extensive due diligence prior to the budget, checking potential impacts on our stocks and, as expected, the budget held few demons for our companies. At the margin some of our holdings were impacted such as:

- childcare (e.g. G8 Education – new funding measures being pushed back 12 months)
- healthcare (e.g. Healthscope – indexation placed on hold), and
- aged care (e.g. Japara – ACFI funding reduced).

Pleasingly, the majority of our stocks were not impacted at all which came as a relief to companies in some sectors, such as novated leasing, which had been impacted by some negative policy in recent budgets (e.g. SG Fleet, Eclix) and can be vulnerable to changes in government policy.

Arguably, the most important announcement on budget day came early in the afternoon when the Reserve Bank of Australia announced it was reducing the benchmark rate to an historic low of 1.75%. Given the looming budget/federal election, the May monthly board meeting of the RBA was largely considered a non-event until very weak inflation data was released in the last week of April. Taking this into consideration and the persistently high Australian dollar, the board took the unprecedented decision of cutting rates below the 2.00% barrier.

Clearly the RBA is concerned about inflation, which has slowed dramatically over the past 12 months, with the

board expecting the inflation rate to remain below the 2-3 percent target band until the middle of 2018. The RBA's revised economic forecast published with its Statement of Monetary Policy suggests a further rate cut is likely at the next meeting in August given the RBA is focused on stimulating inflation and forcing the dollar lower. If the decline in inflation cannot be stemmed, Australia risks succumbing to the weak growth and inflation malaise that has gripped Japan, Europe and North America in recent years. In such an environment, our preference is to own stocks that can grow earnings outside of the economic cycle and/or stocks exposed to offshore earnings.

As was widely expected, Prime Minister Malcolm Turnbull formally called on the Governor-General, Sir Peter Cosgrove, to dissolve both houses of parliament, thereby sending us to the polls for a double dissolution election on July 2. Current opinion polls suggest the election will be extremely close; far too close to call at this stage. This will no doubt create some investor uncertainty in the near term. While we would typically expect consumer-related stocks to suffer over an election period, the rate cut last week may well neutralise any election-induced uncertainty.

The investment team has been extremely active over the past few months meeting with existing and prospective investments, as well as an array of competitors to our current holdings. We remain confident our companies are trading well into the end of the financial year and that the portfolio will continue to deliver investors strong investment returns into the future.

Top 5 holdings[#]

Company	ASX code
APN Outdoor Group	APO
Burson Group	BAP
Fisher & Paykel Healthcare	FPH
G8 Education Limited	GEM
Vocus Communications	VOC

CONTACT COPIA

 1800 442 129 | clientservices@copiapartners.com.au | ocfunds.copiapartners.com.au


John Clothier	General Manager, Distribution	0408 488 549 jclothier@copiapartners.com.au
Adam Tweedale	State Manager, Southern Region	0425 804 727 atweedale@copiapartners.com.au
Angela Vincent	State Manager, Northern Region	0477 347 260 avincent@copiapartners.com.au
Sean Paul McGoldrick	Account Manager, Northern Region	0421 050 370 spmgoldrick@copiapartners.com.au
Iain Mason	Director, Institutional Business	0412 137 424 imason@copiapartners.com.au
Jacinta King	Business Development Associate	0413 962 922 jking@copiapartners.com.au

*The performance comparison of \$20,000 over 5 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. There is no guarantee these objectives will be met.

#The top 5 portfolio holdings are in alphabetical order and may not be representative of current or future investments. The securities listed may not represent all of the portfolio's holdings and may represent only a small percentage of the strategy's portfolio holdings. Future portfolio holdings may not be profitable.

Past performance is not a reliable indicator of future performance. The total return performance figures quoted are historical, calculated using end-of-month 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 indices

do not incur these costs. This information is provided for general comparative purposes. Positive returns, which the OC Dynamic Equity Fund (the Fund) is designed to provide, are different regarding risk and investment profile to index returns. Total returns are calculated after taking into account performance fees. Where OC Funds Management generates a return on the OC Dynamic Equity Fund over and above the performance hurdle of 15% in any financial year, a performance fee of 20.5% of all profits above this level is charged to the Fund directly. 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 Dynamic Equity Fund (ARSN 098 644 681). A current PDS is available from Copia located at Level 25, 360 Collins Street, Melbourne Vic 3000, by visiting the website 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.