

## Press Release

### NovaPort Capital strengthens small cap leadership team

**Sydney, 21 July 2023** - NovaPort Capital, a boutique Australian equities investment manager specialising in ASX-listed small and microcap companies, has appointed Tim Binsted as Portfolio Manager.

Alex Milton, NovaPort Principal and Co-Portfolio Manager said Mr Binsted's progression to senior analyst and now promotion to Portfolio Manager is a reflection of his strong stock picking skills and contribution to the portfolio construction process.

"This promotion reflects Tim's rapid progression since joining NovaPort four years ago. He has become a proactive and valued contributor to stock discussions beyond companies under his purview as well as participating in the portfolio construction process", said Alex Milton, Principal and Co-Portfolio Manager.

Mr Binsted will be responsible for investment research and capital allocation for the NovaPort Smaller Companies Fund and NovaPort Microcap Fund.

The performance of both funds has been strong over the long term, with the NovaPort Smaller Companies Fund delivering 11.35% (after fees) and the NovaPort Microcap Fund delivering 8.16% p.a. since inception<sup>1</sup>. The NovaPort Microcap Fund recently celebrated its 18 year anniversary while the NovaPort Smaller Companies fund has a track record of over 20 years.

Mr Binsted joined NovaPort as an analyst in 2019. Studying Arts at University and beginning his career as a journalist at the *Australian Financial Review* before embarking on a career in investment management, Mr Binsted acknowledged his pathway was non-traditional, but said different perspectives are useful when hunting quality in a competitive small cap market.

"I have always had a passion and interest in finance. With family working in the industry, I had an early interest in what drives companies and share prices. I think that having a different background does emphasise other skills, which helps to spot undervalued stocks and deliver returns for our investors." Mr Binsted said.

#### **The small cap risk and reward**

NovaPort Capital believes elevated uncertainty in markets and the global economy creates opportunity for small and microcap investors who focus on buying quality companies with long-term growth potential.

"There is significant opportunity to buy quality at attractive prices, as investors tend to overlook and underappreciate the value of small and microcap companies," Mr Binsted said. "It is easier to find hidden gems when fewer people are looking."

The current inflationary environment has made active management critical to mitigate risk and deliver returns, and this is particularly the case in the Small Ordinaries Benchmark, which can at times become dominated by speculative companies.

“The risk of passive investing is tracking a Benchmark, which may be exposed to over-inflated companies or sectors. We saw this with Buy-Now-Pay-Later stocks and unprofitable tech stocks, for example.

“This risk is intensified in the small and microcap market, which requires active focus on company fundamentals and sustainable businesses over superficially cheap stocks or market hype.

“The current market undoubtedly presents opportunities for small and microcap investors,” Mr Binsted said.

NovaPort Capital is part of Fidante, a global investment management business which forms long term alliances with best-in-class investment managers. As Portfolio Manager, Tim works alongside Co-Portfolio Managers and Principals Sinclair Currie and Alex Milton.

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#### **About NovaPort Capital**

NovaPort Capital (NovaPort) is a boutique Australian equities investment manager specialising in small and microcap ASX-listed companies. The company was founded in 2010 by Alex Milton and Sinclair Currie, having previously worked together as co-portfolio managers within Challenger Limited's smaller companies team. NovaPort is a benchmark unaware, active investment manager.

As a high conviction investor, NovaPort invests in a concentrated number of companies at any given time, with portfolios that have lower turnover of securities. NovaPort believes there are inefficiencies in investment markets, particularly within the universe of smaller listed companies. Its approach is therefore focused on buying companies with an improving outlook at a significant discount to valuation. At the same time, NovaPort pays particular attention to the underlying quality of company earnings, management and industry structure in order to minimise downside risk.

New investment ideas for NovaPort's portfolios are discovered through conducting extensive research, qualitative analysis and financial modelling, with the ultimate aim of providing superior investment returns for investors.

**Important information**

1. As at 30 June 2023. Returns are calculated after fees and expenses have been deducted, assuming reinvestment of distributions. No allowance is made for tax. Past performance is not a reliable indicator of future performance. NovaPort Smaller Companies Fund inception date is 31 December 2002 and the NovaPort Microcap Fund inception date is 22 March 2005.

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