



Ironbark Copper Rock Emerging Markets Opportunities Fund

Monthly Investment Report as at 31 October 2018

Asset Class

Global Shares

Investment Objective

To outperform the benchmark net of fees over rolling 5 year periods

APIR Code

MGL0019AU

ARSN

124 220 202

Fund Inception Date

19 March 2007

Manager Appointed

30 September 2016¹

Benchmark

MSCI Emerging Markets Small Cap Index AUD

Distribution Frequency

Semi-Annually

Minimum Investment

\$20,000

Fund Size

\$81.3m

Exit Price

0.7266

Performance Review

The Ironbark Copper Rock Emerging Markets Opportunities Fund (the 'Fund') returned -8.65% (net) in October, outperforming the benchmark return of -8.66% by 0.01%.

All sectors moved lower in October, with the broad market sell off and emerging markets small cap stocks taking the majority of the brunt. Trade wars, tariffs, and the US dollar continued to weigh on the emerging markets small cap asset class. Sectors like health care and information technology declined as much as 18% and 15%, respectively, in the index. The Fund's stock selection in the health care sector was better than that of the index. Most of this was due to the consumer oriented health care being additive in the month. Additionally, the selection in financials, owed in part to consumer finance stocks and the Fund's position in Brazilian reinsurance company IRB Brasil Resseguros, was positive. Furthermore, the Fund's stock selection in consumer staples outperformed that of the index. On the downside, the combination of the overweight position in information technology, which declined in the month, and poor stock selection, led this sector to exhibit the greatest negative contribution to relative return. This was followed by consumer discretionary where the Fund has been naturally overweight versus the index.

China declined 10% in the index and the Fund's overweight allocation combined with poor stock selection led this market to detract the most from relative return on a country level. The Fund's stocks declined on some of the same fears the market saw in the prior quarter as concerns over the trade war and tariffs impacted the market to the downside. This had the largest negative impact on the Fund's infrastructure related Chinese stocks while the consumer stocks that were down in the prior quarter generally recovered. Korea was also challenged in the month. Both of those markets comprise about 32% of the index. Stock selection in India and Thailand, which comprise about 18% of the index and where the investment manager has allocated approximately 25% of the Fund, contributed positively to relative return. Thailand continues to be well positioned financially against a US rate rising environment. Finally, Brazil was, by far, the best performing market in October (up 20% versus the index decline of 10.5%) as the market ran up in anticipation that the outcome of the presidential election would be in line with the broad market expectations, which in fact it was. While the Fund's stocks reacted positively, they were just not as strong as the overall market.

Performance

Net Returns	1 month (%)	3 months (%)	1 year (%)	3 years p.a. (%)	5 years p.a. (%)	10 years p.a. (%)	Since inception p.a. (%) ⁴
Ironbark Copper Rock Emerging Markets Opportunities Fund¹							
MSCI Emerging Markets Small Cap NR ²	-8.65	-13.96	-14.71	-1.64	-1.34	6.74	1.78
<i>Active Return</i>	<i>0.01</i>	<i>-2.83</i>	<i>-4.57</i>	<i>-4.84</i>	<i>-7.77</i>	<i>-3.85</i>	<i>-3.72</i>
Copper Rock Emerging Markets Small Cap Strategy³							
MSCI Emerging Markets Small Cap NR	-8.72	-13.89	-14.64	2.09	1.20	n/a	9.06
<i>Active Return</i>	<i>-0.05</i>	<i>-2.76</i>	<i>-4.50</i>	<i>-1.81</i>	<i>-0.87</i>	<i>n/a</i>	<i>1.00</i>

¹Shaded Fund performance prior to 30 September 2016 is not attributable to Copper Rock, but the previous investment manager. The Fund invests in the Copper Rock Emerging Markets Small Cap Strategy, returns are presented below for reference.

Past performance is not an indicator of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Returns are rounded to two decimal places. Slight variations to actual calculations may occur.

²The MSCI Emerging Markets Small Cap NR AUD was adopted as the Fund's performance benchmark on 30 September 2016. Benchmark calculations prior to this date are based on the MSCI World ex Australia Index Hedged AUD.

³The Copper Rock Emerging Markets Small Cap Strategy AUD referred to is based on the Copper Rock Emerging Markets Small Cap Equity Composite USD share class converted to AUD. The composite inception date is 1 October, 2012. Performance for the strategy is stated net of fees with a 1.25% p.a. fee applied, calculated monthly. Source: Copper Rock and Morningstar Direct.

⁴This figure represents the annualised performance from the first full month of operation.

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Ironbark Copper Rock Emerging Markets Opportunities Fund

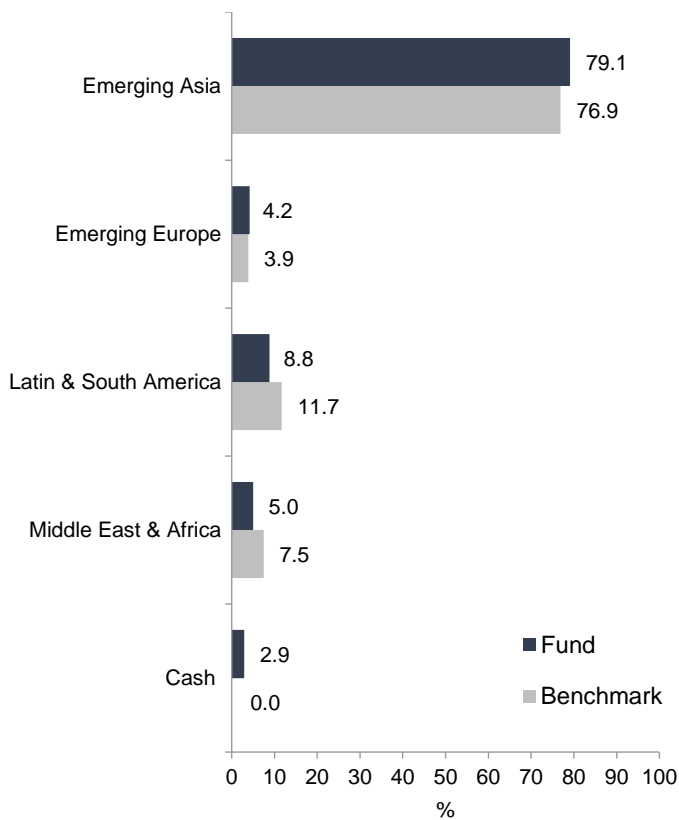
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Top 5 Holdings

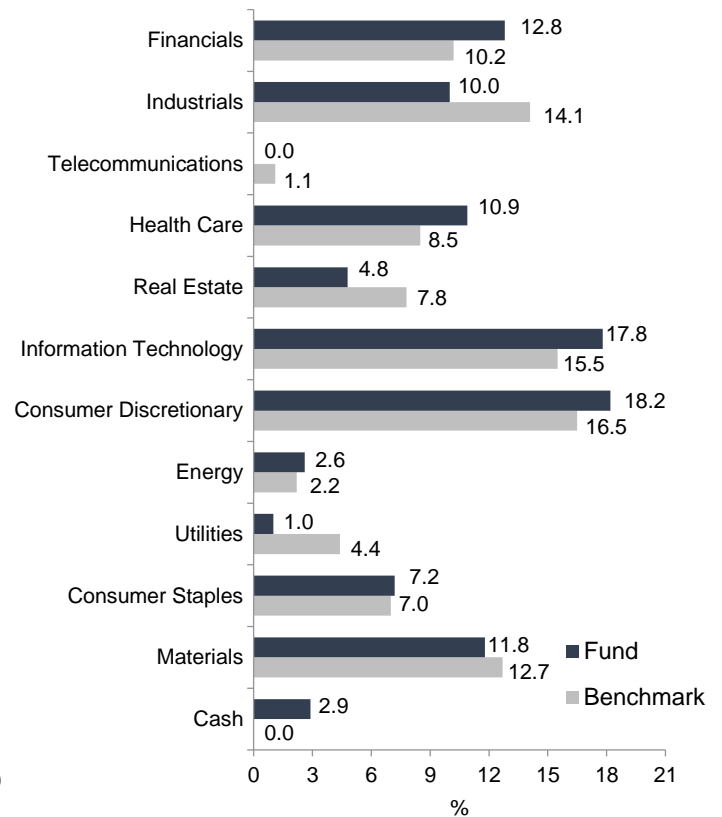
Stock	Country	Sector	%
IRB Brasil Resseguros	Brazil	Financials	1.75
KrungThai Card Public Co	Thailand	Financials	1.74
Fila Korea	Korea	Consumer Discretionary	1.73
Muangthai Capital Public Co	Thailand	Financials	1.69
Jubilant Life Sciences	India	Health Care	1.58

Asset Allocation

Regional Weights (%)¹



Sector Weights (%)



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Top 5 and Bottom 5 Contributors for the Month

Stock	Country	Active position	%
IRB Brasil Resseguros	Brazil	Overweight	0.49
HEG	India	Overweight	0.46
Muangthai Capital Public Co	Thailand	Overweight	0.41
Magazine Luiza	Brazil	Overweight	0.39
Radico Khaitan	India	Overweight	0.24

Stock	Country	Active position	%
Douzone Bizon Co	Korea	Overweight	-0.33
F & F Co	Korea	Overweight	-0.31
Value Added Technology Co	Korea	Overweight	-0.28
Shinsegae International Co	Korea	Overweight	-0.26
Lonking Holdings	China	Overweight	-0.24

Important information

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