



Ironbark Copper Rock Emerging Markets Opportunities Fund

Monthly Investment Report as at 31 July 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

\$85.6m

Exit Price

0.8445

Performance Review

The Ironbark Copper Rock Emerging Markets Opportunities Fund (the 'Fund') returned 1.33% (net) in July, outperforming the benchmark return of 0.70% by 0.63%.

In July, emerging markets began their climb out from a second quarter that marked the worst quarterly return for the MSCI Emerging Markets Small Cap Index since the third quarter of 2015. The recovery in July was led by strong absolute returns in Mexico, Brazil, Thailand, and South Africa. There was some modest recovery in returns in Taiwan (up approximately 1%), however Korea and China still declined approximately 4% and 3%, respectively. India saw some recovery in the month as it returned approximately 4%.

Within the Fund, there was positive contribution from stock selection in Taiwan, Turkey, and Brazil. The combination of stock selection and market weight allocation relative to the index in Korea detracted from relative return in the month. Positions in long held stocks such as Kiwoom Securities and Douzone Bizon declined in the month but continue to be owned in the Fund. The Fund has been gradually increasing its allocation in India which has been additive to returns, however, there was some near term pressure on some of the stocks owned. At the sector level, contribution to relative return from overall stock selection was quite strong broadly across the portfolio. However, stock selection in consumer discretionary, financials, and real estate sectors detracted from overall relative returns. Within the index, the financials sector rose approximately 4%. The Fund's performance declined off positions in Krung Thai Card, Kiwoom Securities, Yirendai, Indonesian bank PT Bank Tabungan Negara (which has since been sold), and SREI Infrastructure Finance. The investment manager has entered the month of July with a slight overweight position relative to the index in the financials sector with an emphasis on diversified financials, which continue to provide innovative financing to the emergent consumer. Due to some near term underperformance, the allocation to diversified financials is now close to market weight and the Fund remains underweight to banks and the sector overall. Regardless, the investment manager continues to find opportunities in the sector on a selective, case by case basis.

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	1.33	-7.10	6.49	-0.41	3.03	2.52	3.18
MSCI Emerging Markets Small Cap NR ²	0.70	-5.81	11.23	6.38	10.24	8.42	6.73
<i>Active Return</i>	<i>0.63</i>	<i>-1.29</i>	<i>-4.74</i>	<i>-6.79</i>	<i>-7.21</i>	<i>-5.90</i>	<i>-3.55</i>
Copper Rock Emerging Markets Small Cap Strategy³	1.26	-7.16	6.55	4.58	8.91	N/a	12.50
MSCI Emerging Markets Small Cap NR	0.70	-5.81	11.23	5.66	8.79	N/a	10.80
<i>Active Return</i>	<i>0.56</i>	<i>-1.35</i>	<i>-4.67</i>	<i>-1.08</i>	<i>0.12</i>	<i>N/a</i>	<i>1.70</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.

Contact Details

T: 1800 034 402 | E: client.services@ironbarkam.com | W: www.ironbarkam.com





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Performance Review (cont'd)

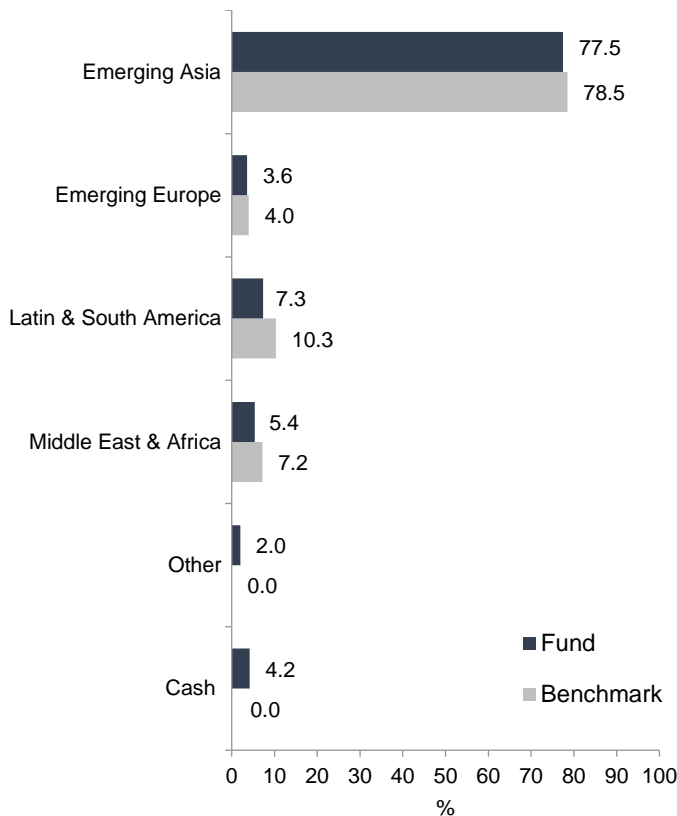
There continues to be attractive investment opportunities broadly across sectors and emerging markets countries. The investment manager took advantage of the earlier volatility to add to those stocks where they have high conviction and to identify attractive new opportunities at better valuations. Although the macroeconomic volatility persists, there remain concerns over the impact of trade disputes and application of new tariffs lingers, the investment manager has not strayed from their investment process. The investment manager continues to hunt for alpha amongst those companies benefiting from the emergent consumer and their quest for innovation, services and infrastructure upgrades throughout the local emerging market economies. This focus, along with domestic oriented companies which generate the bulk of their revenues in their home and adjacent markets, can be beneficial as the investment manager tends to expect less impact from the global turmoil, including global macro events, on the Fund.

Top 5 Holdings

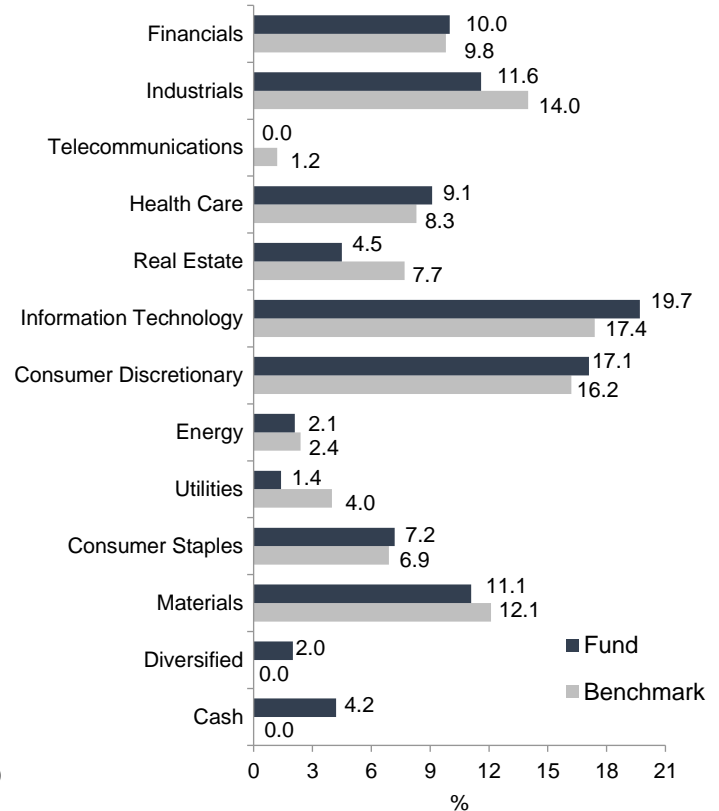
Stock	Country	Sector	%
iShares MSCI Emerging Markets Small Cap ETF	Other	Diversified	2.00
Mphasis	India	Information Technology	1.66
Muangthai Capital Public Corporation	Thailand	Financials	1.66
Koh Young Technology	Korea	Information Technology	1.64
Jubilant Foodworks	India	Consumer Discretionary	1.62

Asset Allocation

Regional Weights (%)¹



Sector Weights (%)



¹ The allocation to 'Other' is the iShares MSCI Emerging Markets Small Cap ETF holding.

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Top 5 and Bottom 5 Contributors for the Month

Stock	Country	Active position	%
TCI Corporation	Taiwan	Overweight	0.32
Maanshan Iron & Steel Corporation	China	Overweight	0.31
Silicon Works Corporation	South Korea	Overweight	0.22
Muangthai Capital Public Corporation	Thailand	Overweight	0.22
Asia Cement Corporation	Taiwan	Overweight	0.21

Stock	Country	Active position	%
KrungThai Card Public Corporation	Financials	Overweight	-0.33
Airtac International Group	Industrials	Overweight	-0.30
China Yongda Automobiles Services Holdings	Consumer Discretionary	Overweight	-0.25
Kiwoom Securities Corporation	Financials	Overweight	-0.23
Douzone Bizon Corporation	Information Technology	Overweight	-0.22

Important information

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