



Ironbark Copper Rock Emerging Markets Opportunities Fund

Monthly Investment Report as at 31 October 2017

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

\$80.5m

Exit Price

\$0.8819

Performance Review

The Ironbark Copper Rock Emerging Markets Opportunities Fund (the 'Fund') returned 3.28% (net) in October, underperforming the benchmark return of 5.94% by 2.66%.

In October, positive stock selection in the utilities and financials sectors contributed to relative return. The underweight position in the real estate sector was additive. Within utilities, the Fund's position in Indian company, Indraprastha Gas Limited, was a top contributor. Within financials, the Fund had good performance in Thai companies such as KrungThai Card Public Co. and Muangthai Leasing Public Company, and Indian companies such as Karnataka Bank and Edelweiss Financial Services. On a country basis, the Fund had positive stock selection in Thailand, the Philippines, Hungary, and Mexico.

For most of the year, currency had been a supportive tail wind to the strategy however that has reversed at the start of the final quarter with some currency headwinds impacting relative performance. During the month, there was some underperformance in the health care, consumer sectors, information technology, materials, industrials, and energy sectors. When looking at attribution on a country basis, there was some individual underperformance in China, Brazil, and Korea. The Fund's position in Magazine Luiza SA, which is a Brazilian consumer electronics and home goods retailers, was a strong individual contributor to relative return in the prior quarter however was a top detractor in the month. The stock took a pause in October despite reporting strong third quarter earnings results. The company experienced increased digital TV sales, higher brick-and-mortar store sales growth, and improved e-commerce sales growth. The company is well positioned for strong momentum heading into the upcoming holiday season. Also, given the company's strong market position in an improving Brazilian economy, the investment manager continues to be positive on the company's outlook.

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	3.28	7.43	20.71	0.73	3.05	1.63	3.49
MSCI Emerging Small Cap NR ²	5.94	10.00	20.14	9.72	14.74	6.35	7.11
<i>Active Return</i>	-2.66	-2.57	0.57	-8.99	-11.69	-4.72	-3.62
¹ Fund performance prior to 30 September 2016 is not attributable to Copper Rock, but the previous investment manager. Copper Rock Emerging Markets Small Cap Strategy returns are presented below for reference.							
Copper Rock Emerging Markets Small Cap Strategy³	3.30	7.48	22.10	11.51	14.43	N/a	14.70
MSCI Emerging Markets Small Cap NR	5.94	10.00	20.14	10.15	12.53	N/a	12.27
<i>Active Return</i>	-2.64	-2.52	1.96	1.36	1.89	N/a	2.43

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. Retail investors should refer to net returns. If investing through an IDPS Provider, the total after fees performance return of your investment in the Fund may be different from the information in this report.

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

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Performance Review (cont'd)

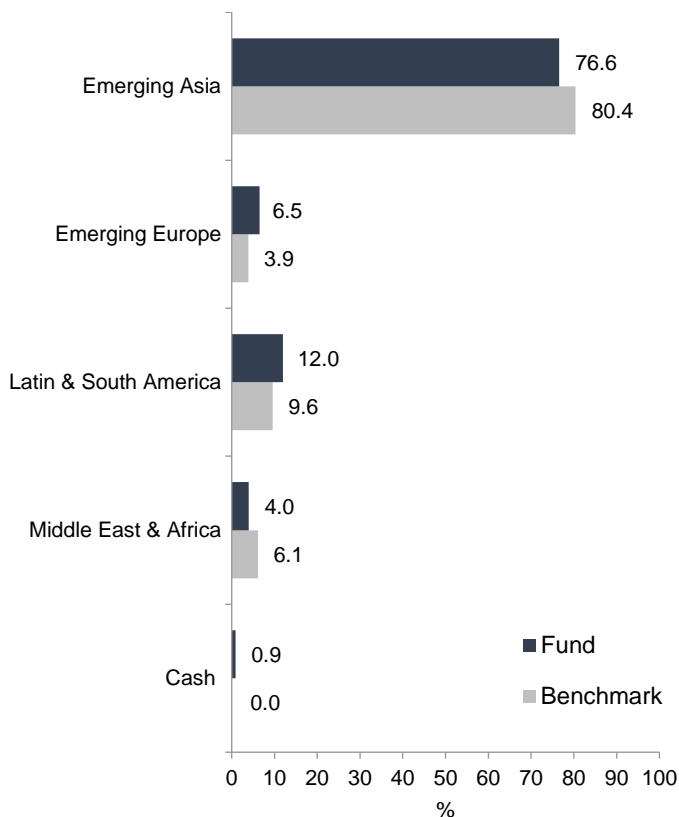
The investment manager anticipates steady economic growth across the emerging markets in 2018 and believes earnings should continue to rise. The asset class has seen only a minor re-rating, especially compared to developed markets, and the investment manager believes greater confidence in the economic cycle in emerging markets will lead to higher multiples. In particular, the investment manager views the economy in Brazil is continuing to recover from its deep recession. Along with lower interest rates, the investment manager remains positively disposed towards Brazil which remains the Fund's largest country overweight relative to the index. The Fund maintains an overweight allocation relative to the index in consumer discretionary and financials sectors, focusing on the long-term trends of rising discretionary spending and financial market participation in emerging markets. In addition, the Fund is meaningfully overweight in the industrials sector as global growth continues. The Fund is cautiously positioned with respect to consumer staples as valuations have risen in that sector, and the investment manager expects more growth in discretionary spending.

Top 5 Holdings

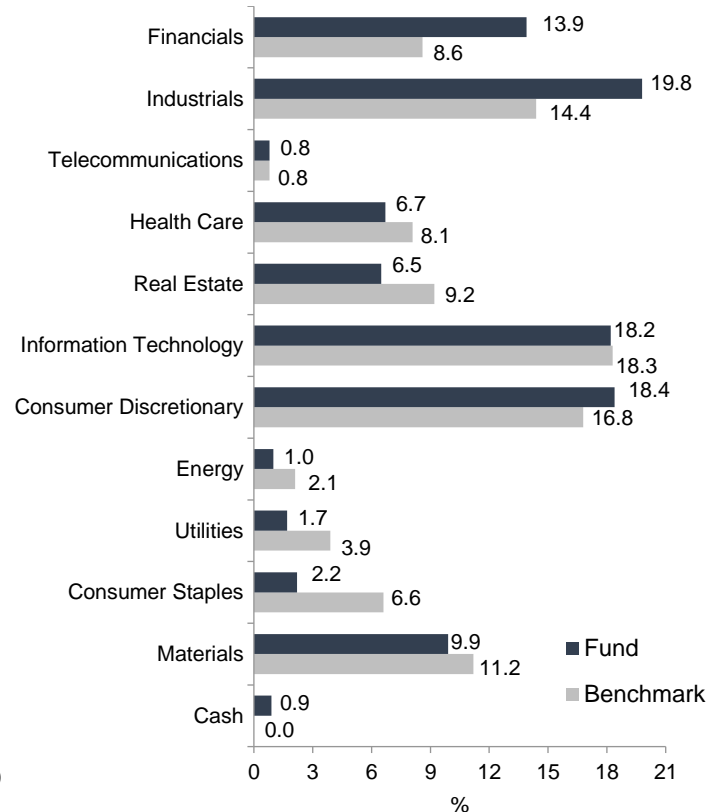
Stock	Country	Sector	%
China Resources Cement Holdings	China	Materials	1.76
Edelweiss Financial Services	India	Financials	1.70
Indraprastha Gas	India	Utilities	1.70
BizLink Holdings	Taiwan	Industrials	1.67
Lonking Holdings	China	Industrials	1.66

Asset Allocation

Regional Weights (%)¹



Sector Weights (%)



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Top and Bottom 5 Contributors for the Month

Stock	Country	Active position	%
KrungThai Card Public	Thailand	Overweight	0.22
Modetour Network	South Korea	Overweight	0.17
Loen Entertainment	South Korea	Overweight	0.17
Voltas	India	Overweight	0.12
Karnataka Bank	India	Overweight	0.12

Stock	Country	Active position	%
Magazine Luiza	Brazil	Overweight	-0.22
PT Bank Tabungan Negara	Indonesia	Overweight	-0.21
Qualicorp	Brazil	Overweight	-0.18
Evraz	United Kingdom	Overweight	-0.18
Arcelik	Turkey	Overweight	-0.17

Important information

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