



Ironbark Copper Rock Emerging Markets Opportunities Fund

Monthly Investment Report as at 31 July 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

Buy/Sell Spread

+0.25%/-0.25%

Management Costs

1.1250% p.a.⁵

Distribution Frequency

Semi-Annually

Minimum Investment

\$20,000

Fund Size

\$77.0m

Exit Price

\$0.8209

Performance Review

The Fund returned 1.10% net in July, outperforming the benchmark return of -0.41% by 1.51%.

During the month of July, there was broad positive stock selection across the Fund in positions within the consumer discretionary, materials, and health care sectors. Strong stock selection combined with an overweight allocation against the index in Brazil was also a positive contributor in the month. Five of the top ten contributors in the month were Brazilian companies; Magazine Luiza S.A. (consumer discretionary), Localiza Rent A Car S.A. (industrials), Fleury SA (health care), Iguatemi Empresa de Shopping Centers S.A.(real Estate), and Qualicorp S.A. (health care). Magazine Luiza S.A, a consumer goods retailer, posted better than expected second quarter earnings results. The company experienced increased gross revenues primarily from higher people traffic and conversion level in the off-line and online distribution channels and above average sales in cell phones, televisions, and furniture.

On the downside, there was some underperformance from individual stock selection in Thailand, Greece, and Turkey. For example, the Fund's position in KrungThai Card Public Co Ltd (KTC), the fourth largest issuer of credit and debit cards in Thailand, was impacted in July by the expected introduction of regulatory changes to the personal credit industry by the Bank of Thailand. The central bank announced lower credit line limits and lower interest rates for credit cards in an attempt to curb the levels of personal debt in Thailand, especially in the younger working class segment. These new regulations could strongly impact the profitability of KTC going forward. Despite the announcements, the company reported strong quarterly results in July. The investment manager still maintains a position in KTC, however, the investment manager is reviewing their expectation for the regulatory impact on the earnings potential and could potentially reduce or eliminate the position in the near future.

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	1.10	2.15	7.36	-1.49	2.00	1.75	2.86
MSCI Emerging Small Cap NR ²	-0.41	-1.42	8.37	7.51	13.58	5.88	6.31
<i>Active Return</i>	<i>1.51</i>	<i>3.57</i>	<i>-1.01</i>	<i>-9.00</i>	<i>-11.58</i>	<i>-4.13</i>	<i>-3.45</i>
Copper Rock Emerging Markets Small Cap Strategy³	1.05	2.02	15.79	10.20	N/a	N/a	13.80
MSCI Emerging Markets Small Cap NR	-0.41	-1.41	10.97	7.36	N/a	N/a	10.71
<i>Active Return</i>	<i>1.46</i>	<i>3.43</i>	<i>4.83</i>	<i>2.85</i>	<i>N/a</i>	<i>N/a</i>	<i>3.08</i>

¹Fund 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.

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.

² The 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 is stated net of fees with a 1.25% p.a. fee applied, calculated monthly. Source: Copper Rock and Morningstar Direct.

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

⁵For full breakdown of management costs, refer to the PDS dated 30 September 2016.

Contact Details

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Market Outlook

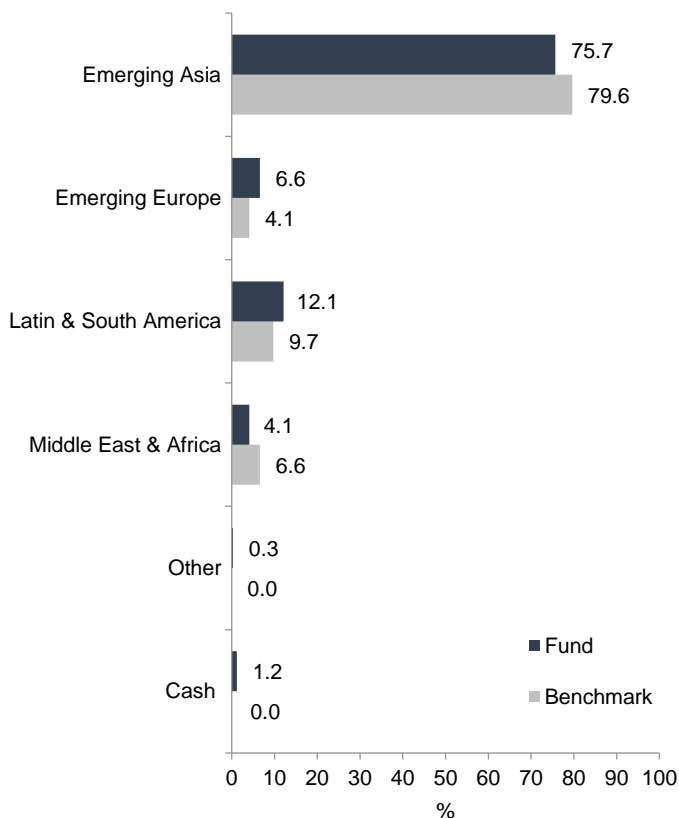
The investment manager continues to look from a bottom up perspective for growth in the emerging market complex. The investment manager remains positive on the opportunity in emerging markets as the relative valuation gap persists and earnings have been steadily positive. The investment manager continues to seek opportunities to capture the emergent consumer's buying power across a spectrum of sectors. These sectors include health care where consumer spending will go towards better access to health care technology and diagnostics, the financial sector particularly in countries like India, and the consumer sectors throughout the broad emerging markets countries.

Top 5 Holdings

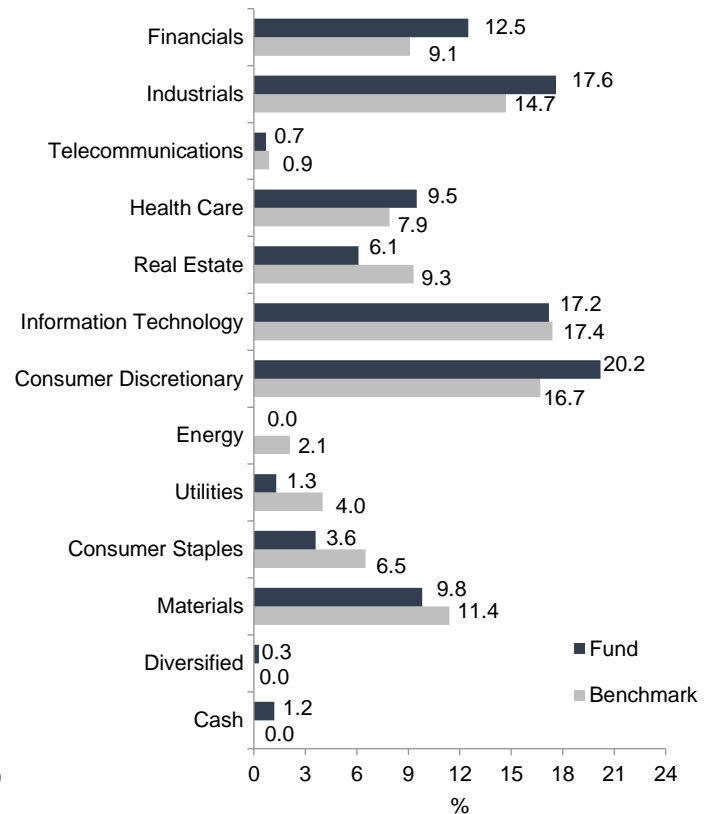
Stock	Country	Sector	%
Elite Material	Taiwan	Information Technology	1.83
Reliance Capital	India	Financials	1.82
Localiza Rent A Car	Brazil	Industrials	1.73
China General Plastics	Taiwan	Materials	1.63
Fleury	Brazil	Health Care	1.62

Asset Allocation

Regional Weights (%)¹



Sector Weights (%)



¹ The allocation to other is the iShares MSCI Emerging Markets holding.

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Top and Bottom 5 Contributors for the Month

Stock	Country	Active position	%
Magazine Luiza	Brazil	Overweight	0.52
BYD Electronic	Hong Kong	Overweight	0.28
Localiza Rent A Car	Brazil	Overweight	0.27
Jusung Engineering	South Korea	Overweight	0.26
China Lodging Group	China	Overweight	0.25

Stock	Country	Active position	%
Hana Microelectronics Public	Thailand	Overweight	-0.18
China Biologic Products Holdings	China	Overweight	-0.17
KrungThai Card Public	Thailand	Overweight	-0.16
Vieworks	South Korea	Overweight	-0.15
Kiwoom Securities	South Korea	Overweight	-0.15

Important information

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