



Ironbark Copper Rock Emerging Markets Opportunities Fund

Monthly Investment Report as at 28 February 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

\$86.8m

Exit Price

\$0.9253

Performance Review

The Ironbark Copper Rock Emerging Markets Opportunities Fund (the 'Fund') returned -0.71% (net) in February, underperforming the benchmark return of -0.34% by 0.37%.

February was the first time since December 2016 that the MSCI Emerging Markets Small Cap Index had a negative monthly return. Global developed market indices suffered similar returns with the MSCI World declining approximately -4.10% (in US dollar 'USD' terms) in the month and the MSCI World Small Cap Index declined only slightly less far at -3.98% (in USD terms).

Global markets declined in February led down by indicators of a market correction as investors grew concerned that surprise inflation and wage gains would lead the Federal Reserve to raise interest rates more than previously anticipated in 2018. There was also a sharp move in 10 year rates in the US which also explained some of the market action as heavily interest rate sensitive sectors. All sectors in the index experienced negative returns led by the worst performance in real estate, health care, and utilities, respectively. Oil prices moved lower which also impacted energy sector performance to the downside as the sector fell approximately 4% within the MSCI Emerging Markets Small Cap index. In response, February behaved like a classic risk off market environment.

During the month, the Fund benefitted from positive stock selection within the consumer staples, materials, energy and industrial sectors. Overall stock selection within the real estate and consumer discretionary sectors detracted the most from relative return. At a country level, Korea was the top positive contributor even though absolute returns for the market were negative. This was entirely driven by strong positive stock selection within the market. Outperformance in Korea during the month was generated by positions held across more growth oriented sectors like consumer discretionary (Modetour Network), technology (Duozone Bizon), and health care (Value Added Technology). There was also some positive contribution to relative return from stock selection in Thailand and China. Individual stock selection in India detracted from relative return overall as stocks like Jain Irrigation Systems, CEAT, and Natco Pharma declined in the month.

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	-0.71	2.72	26.27	-0.03	2.56	2.59	3.92
MSCI Emerging Small Cap NR ²	-0.34	2.56	22.01	8.75	13.49	8.50	7.40
<i>Active Return</i>	<i>-0.37</i>	<i>0.16</i>	<i>4.26</i>	<i>-8.78</i>	<i>-10.93</i>	<i>-5.91</i>	<i>-3.48</i>
¹ Shaded 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.							
Copper Rock Emerging Markets Small Cap Strategy³	-0.51	2.99	27.31	10.78	12.57	N/a	14.97
MSCI Emerging Markets Small Cap NR	-0.34	2.56	22.01	8.11	11.13	N/a	12.58
<i>Active Return</i>	<i>-0.17</i>	<i>0.43</i>	<i>5.30</i>	<i>2.67</i>	<i>1.44</i>	<i>N/a</i>	<i>2.40</i>

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.

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.

³ The 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.

⁴ This 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





Ironbark Copper Rock Emerging Markets Opportunities Fund

Monthly Investment Report as at 28 February 2018

Performance Review

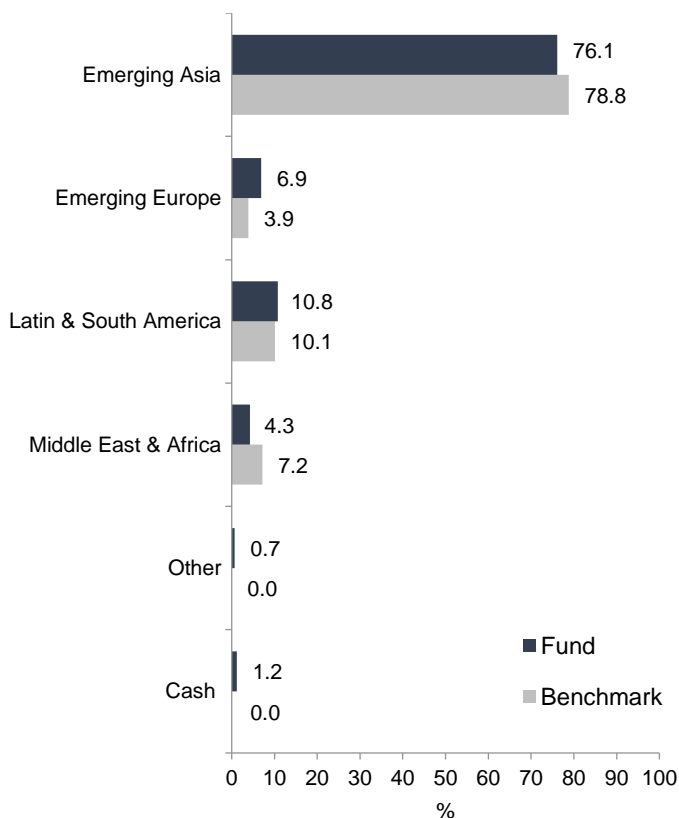
The investment manager continues to believe that earnings should continue to rise in the emerging markets complex fueled by strong fundamentals amidst an attractive back drop. At the end of February, the Fund maintains overweight allocations relative to the index in the industrials, consumer discretionary, and financials sectors, focusing on the long-term trends of continuing global growth and recovery, rising discretionary spending and financial market participation in emerging markets. The Fund has been underweight in the health care and real estate sectors due to the inability to identify quality companies with reasonably attractive valuations. The Fund exited positions like Fleury in Brazil, the health care diagnostics company, early in 2018.

Top 5 Holdings

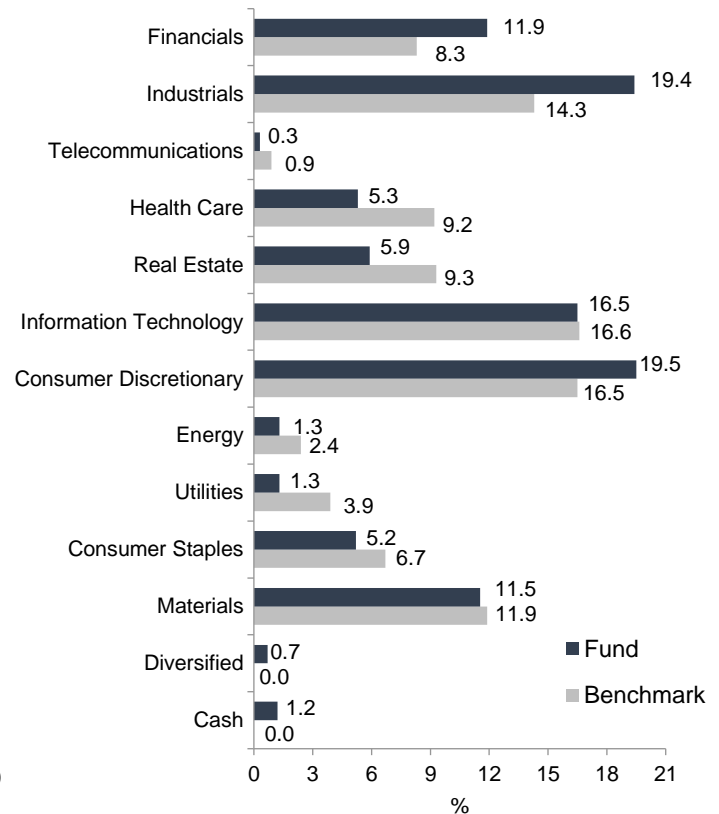
Stock	Country	Sector	%
China Resources Cement Holdings	China	Materials	1.74
Korea Petro Chemical	Korea	Materials	1.60
Douzone Bizon	Korea	Information Technology	1.59
Modetour Network	Korea	Consumer Discretionary	1.56
West China Cement	China	Materials	1.55

Asset Allocation

Regional Weights (%)¹



Sector Weights (%)



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

Contact Details

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



Ironbark Copper Rock Emerging Markets Opportunities Fund

Monthly Investment Report as at 28 February 2018

Top 5 and Bottom 5 Contributors for the Month

Stock	Country	Active position	%
Modetour Network	South Korea	Overweight	0.26
Douzone Bizon	South Korea	Overweight	0.24
KrungThai Card Public	Thailand	Overweight	0.19
TCS Group Holding	Cyprus	Overweight	0.13
AVI	South Africa	Overweight	0.13

Stock	Country	Active position	%
Silicon Works	South Korea	Overweight	-0.18
Guangzhou R&F Properties	Hong Kong	Overweight	-0.17
Jain Irrigation Systems	India	Overweight	-0.16
Chemical Works of Gedeon Richter	Hungary	Overweight	-0.15
Yanlord Land Group	Singapore	Overweight	-0.11

Important information

Issued by Ironbark Asset Management Pty Limited ABN 53 136 679 420 AFSL 341020 ('Ironbark'). Data as at 28 February 2018 and in AUD. This document is not an offer of securities or financial products, nor is it financial product advice. As this document has been prepared without taking account of any investors' particular objectives, financial situation and needs, you should consider its appropriateness having regard to your objectives, financial situation and needs. The Ironbark Copper Rock Emerging Markets Opportunities Fund is issued by Ironbark Asset Management (Fund Services) Limited ABN 63 116 232 154 AFSL 298626. To acquire units in the Fund, complete the application form that accompanies the current PDS, which you can obtain from www.ironbarkam.com or by calling client services on 1800 034 402. You should consider the PDS in deciding to acquire or to continue to hold units in the Fund. Although specific information has been prepared from sources believed to be reliable, we offer no guarantees as to its accuracy or completeness. The information stated, opinions expressed and estimates given constitute best judgement at the time of publication and are subject to change without notice to you. Consequently, although this document is provided in good faith, it is not intended to create any legal liability on the part of Ironbark or any other entity and does not vary the terms of a relevant disclosure statement. Past performance is not an indicator of future results. All dollars are Australian dollars unless otherwise specified.

Contact Details

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

