



Ironbark Copper Rock Global All Cap Share Fund

Monthly Investment Report as at 31 December 2018

Asset class

Global Shares

Investment objective

The Fund seeks to outperform the benchmark net of fees over rolling 5 year periods

APIR code

MGL0018AU

ARSN

122 000 524

Fund inception date

17 October 2006

Manager appointed

27 September 2016

Benchmark

MSCI All Countries World Index AUD

Distribution frequency

Semi-annually

Minimum investment

\$20,000

Fund size

\$2.7m

Exit price

\$0.9378

Performance review

The Ironbark Copper Rock Global All Cap Share Fund (the 'Fund') returned -4.73% (net) in December, underperforming the benchmark's return of -3.54% by 1.19%.

The large negative swing in the markets was stoked further by fears that markets were slowing due to further uncertainty over the US and China trade negotiations. Although crude oil prices started to recover from lows hit in November, they were still below \$60 per barrel (in US dollar terms) which continued to hurt the energy sector overall. For the entire fourth quarter, markets saw a transition away from growth in favour of value stocks, as the sell-off sparked from the global slowdown caused panic.

Despite overall weaker global demand trends in the information technology sector, the Fund benefited from stock selection in the month. Ericsson (up 0.24%), Tencent Holdings (up 0.21%), and STMicroelectronics (up 0.13%) contributed to relative returns. With proceeds from the sales of Mosaic and Haemonetics Corporation, the investment manager has added the position in Aspen Technology.

The Fund owns two consumer staples companies leading to an overweight allocation relative to the index. The Fund continues to have a relatively modest full position in Coca-Cola HBC mainly on a recovery in Nigerian volume growth, strong Russian trading, and continued healthy cash flow from its established businesses in Italy, Ireland and Greece. The stock returned approximately 5% in the month and was the top contributor to relative return.

On the downside, Lonza Group was down over 20% in December. During the month, the company published restated numbers for one of its business units. Tough market conditions and high raw material costs led to lower margins which the market reacted negatively to. Despite confidence in future demand growth, the stock was hit hard.

As a group, the financials stocks in the Fund declined in December. The Federal Reserve commentary signaling potentially less hikes in 2019 and a more dovish outlook along with weak loan demand negatively impacted performance.

Lastly, some of the US consumer segments declined in concert with global slowdown and recessionary fears. The investment manager believes these were unwarranted, and will continue to maintain the Fund's positions.

Performance

Net returns (%)	1 month	3 month	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception p.a. ³
Fund returns ¹	-4.73	-16.16	-2.93	6.97	4.56	9.12	10.07	3.66
Benchmark Return ²	-3.54	-10.23	1.18	7.81	7.30	12.16	12.12	6.38
Active return	-1.19	-5.93	-4.11	-0.84	-2.74	-3.04	-2.05	-2.72

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.

¹Shaded Fund performance prior to 27 September 2016 is not attributable to Copper Rock, but the previous investment manager. The Fund invests in the Copper Rock Concentrated Global All Cap Strategy.

²The MSCI All Countries World Index AUD was adopted as the Fund's performance benchmark on 27 September 2016. Benchmark calculations prior to this date are based on the MSCI World Net AUD.

³ This figure represents the annualised performance from the first full month of operation.

Top 5 holdings

Stock	Country	Sector	Weight (%)
Royal Caribbean Cruises	United States	Consumer Discretionary	6.00
Coca-Cola HBC	United Kingdom	Consumer Staples	4.88
Zoetis	United States	Health Care	4.74
Fiserv	United States	Information Technology	4.30
Alphabet	United States	Information Technology	4.16

Contact details

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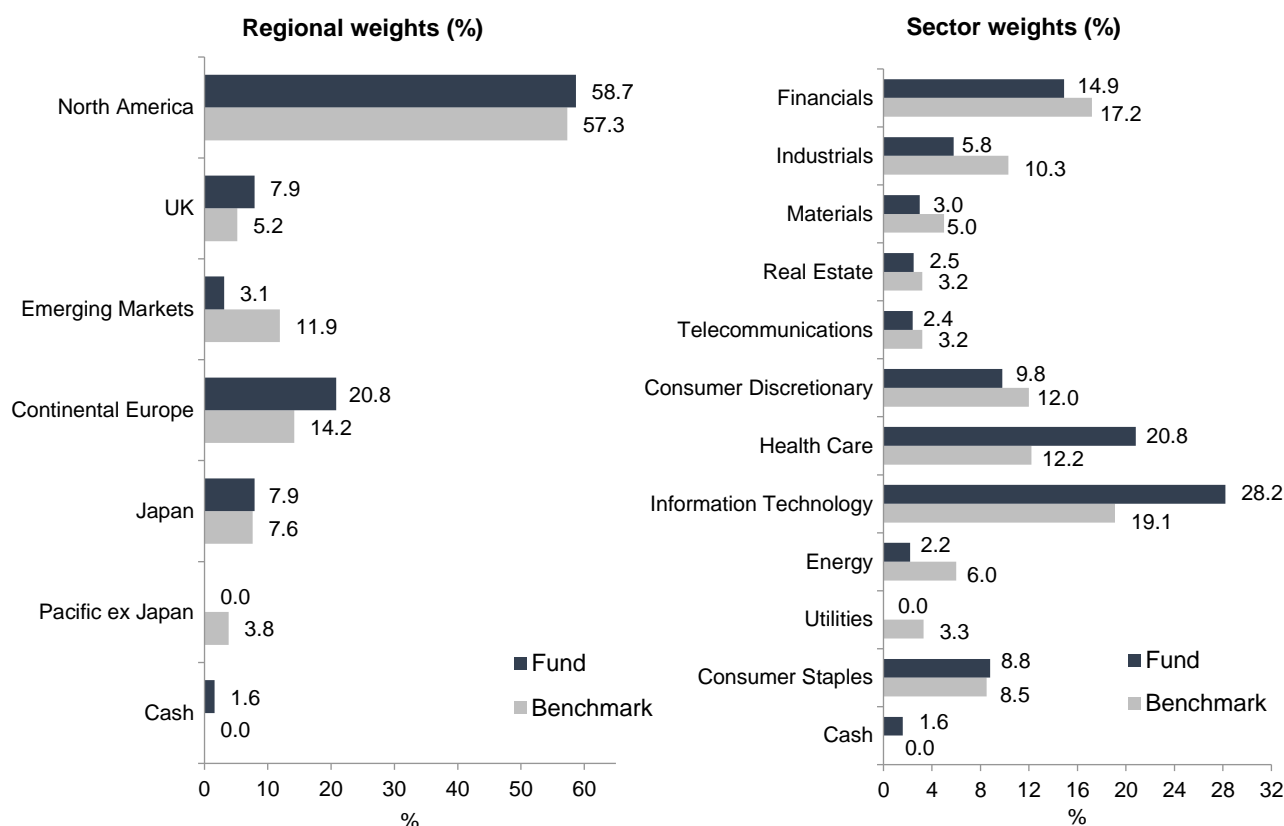




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Asset allocation



Top 5 and bottom 5 contributors for the month

Stock	Country	Active position	%
Coca-Cola HBC	United Kingdom	Overweight	0.59
Anglo American	United Kingdom	Overweight	0.48
Hoya Corporation	Japan	Overweight	0.25
Tencent Holdings	China	Overweight	0.19
Ericsson	Sweden	Overweight	0.19

Stock	Country	Active position	%
Lonza Group	Switzerland	Overweight	-0.59
SunTrust Banks	United States	Overweight	-0.41
Royal Caribbean Cruises	United States	Overweight	-0.41
Regions Financial Corporation	United States	Overweight	-0.37
Mosaic Company	United States	Overweight	-0.34

Important information

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