



# Ironbark Copper Rock Global All Cap Share Fund

Monthly Investment Report as at 31 October 2017

## 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<sup>2</sup>

## Benchmark

MSCI All Countries World Index AUD

## Distribution Frequency

Semi-Annually

## Minimum Investment

\$20,000

## Fund Size

\$3.5m

## Exit Price

\$0.9853

## Performance Review

The Ironbark Copper Rock Global All Cap Share Fund (the 'Fund') returned 3.66% in September, underperforming the benchmark return of 4.48% by 0.82%.

Over the month, the Fund benefitted from relative outperformance of STMicroelectronics NV, Alphabet, Analog Devices, Facebook, Waters Corporation, Parker-Hannifan and Waste Management. STMicroelectronics NV, an electronics and semiconductor manufacturer based in France, was the top contributor to relative returns in October. The company announced better than expected third quarter earnings results driven by growth in each business unit combined with continued momentum in semiconductors. In particular, the company's Imaging Product Division experienced strong growth from Apple's 3D sensor ramp up for the next iPhone launch. Management also raised guidance based on robust demand across STMicroelectronics' divisions and geographies. The investment manager continues to believe there is significant upside to the stock and will continue to hold the stock for the strong long term growth opportunity.

There was some underperformance from individual stock selection as stocks like Thales SA and Baker Hughes declined in the month. Thales SA is a French holding company that manufactures, markets, and sells electronic equipment and systems for aeronautics, naval, and defense sectors. The stock took a pause following disappointing third quarter orders and sales numbers. Management maintained its guidance and expects to have a strong catch up on growth and orders in the fourth quarter. The investment manager continues to hold the position in the Fund. The investment manager exited the position in Baker Hughes. The company reported weaker than expected working capital and cash flow. In addition, an accelerated management change at GE accompanied by shareholder demands for further restructuring at GE, along with a deterioration in the Copper Rock quant score, led the investment manager to liquidate the position.

## 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. (%) <sup>4</sup>
<b>Ironbark Copper Rock Global All Cap Share Fund<sup>1</sup></b>	3.66	9.56	25.76	7.76	11.51	3.46	4.52
MSCI All Countries World Index <sup>2</sup>	4.48	8.87	22.93	8.06	13.69	5.86	6.81
<i>Active Return</i>	-0.82	0.69	2.83	-0.30	-2.18	-2.40	-2.29

<sup>1</sup>Fund performance prior to 27 September 2016 is not attributable to Copper Rock, but the previous investment manager. Copper Rock Global All Cap Strategy returns are presented below for reference.

<b>Copper Rock Concentrated Global All Cap Strategy<sup>3</sup></b>	3.76	10.61	31.21	N/a	N/a	N/a	20.73
MSCI All Countries World Index	4.48	8.87	22.93	N/a	N/a	N/a	18.00
<i>Active Return</i>	-0.72	1.74	8.29	N/a	N/a	N/a	2.73

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.

<sup>2</sup> The 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.

<sup>3</sup> The Copper Rock Concentrated Global All Cap Share Strategy AUD referred to is based on the Copper Rock Concentrated Global All Cap Composite USD share class converted to AUD. The composite inception date is 1 July, 2016. Performance for the strategy is stated net of fees with a 0.80% p.a. fee applied, calculated monthly. Source: Copper Rock and Morningstar Direct.

<sup>4</sup> This figure represents the annualised performance from the first full month of operation.

## Contact Details

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## Performance Review (cont'd)

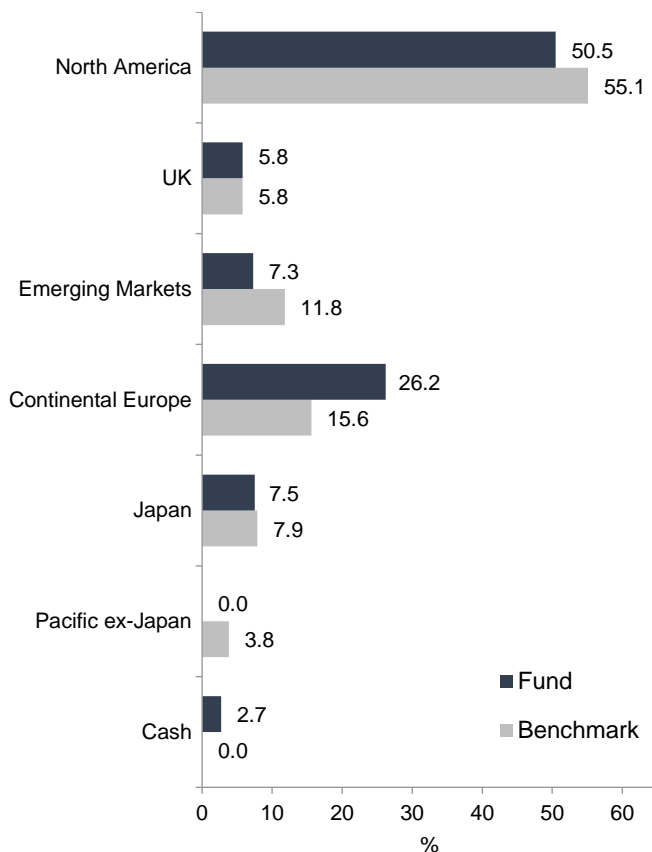
In terms of portfolio positioning, at the end of October, the Fund has a significant concentration in the information technology, financials, and health care sectors. Other selective opportunities where the investment manager believes there are structural growth opportunities are in industrials, consumer discretionary, consumer staples, energy, real estate, and materials. While certainly a large percentage of the portfolio is invested in the US, the investment manager has selectively identified strong long term growth stories in France, Japan, the UK, Switzerland, Spain, Denmark, Italy, Belgium, Sweden, and the Emerging Markets (China and Korea).

## Top 5 Holdings

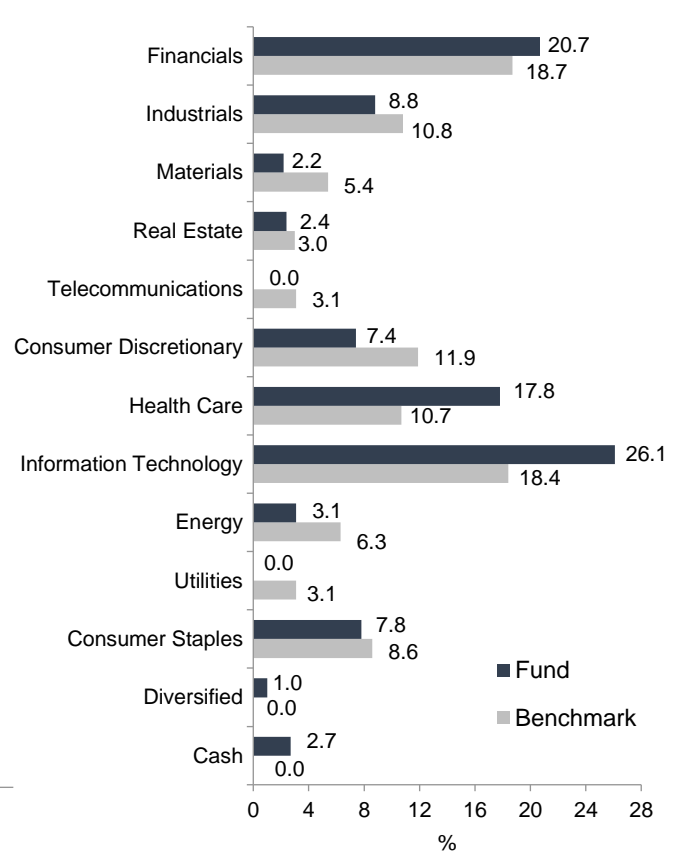
Stock	Country	Sector	%
Alphabet	United States	Information Technology	4.71
Tyson Foods	United States	Consumer Staples	4.23
Lear Corporation	United States	Consumer Discretionary	3.82
Tencent Holdings	China	Information Technology	3.72
Facebook	United States	Information Technology	3.69

## Asset Allocation

Regional Weights (%)



Sector Weights (%)



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## Top and Bottom 5 Contributors for the Month

Stock	Country	Active position	%
STMicroelectronics NV	France	Overweight	0.56
Waters Corporation	United States	Overweight	0.20
Alphabet	United States	Overweight	0.15
Lotte Chemical	South Korea	Overweight	0.12
Analog Devices	United States	Overweight	0.11

Stock	Country	Active position	%
Thales	France	Overweight	-0.39
Genmab	Denmark	Overweight	-0.35
Baker Hughes	United States	Overweight	-0.33
Societe Generale	France	Overweight	-0.19
Electronic Arts	United States	Overweight	-0.18

## Important information

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