

Ironbark Royal London Concentrated Global Share Fund

Monthly Investment Report as at 30 April 2017

Asset Class

Global Shares

Investment Objective

Outperform the benchmark over rolling five year periods

APIR Code

MGL0004AU

ARSN

090 379 105

Fund Inception Date

4 October 1996¹

Investment Manager Appointed

1 September 2016¹

Benchmark

MSCI World Net AUD²

Buy/Sell Spread

+0.20%/-0.20%

Management Costs

1.0229% p.a.³

Distribution Frequency

Semi-Annually

Minimum Investment

\$20,000

Fund Size

\$114.5

Exit Price

\$1.7328

Market Review

During April, Global equities returned 3.6%, as momentum behind equity markets remained positive, however new hurdles, including the unexpected announcement of a general election in the UK, emerged. With the exception of the energy sector, which continued to suffer from a volatile and falling oil price, all areas of the market generated positive returns, led by industrials and consumer discretionary sectors. For Australian investors, currency weakness boosted returns over the month. Europe was once again the best performing region, returning 6.1% during April, boosted by the results of the first round of the French presidential election, and by the strength of the Euro versus the Australian dollar. The weakest region was the US, returning 3.0%, where economic growth slowed to its lowest level since 2014.

Fund Review and Market Outlook

The Fund returned 3.74% net in April, outperforming the benchmark return of 3.52% by 0.22%.

The strongest contributors to performance over the month were Safran (an aerospace and defense technology company), Henkel (a consumer goods firm) and Legrand (an electrical and digital infrastructure firm). All three companies are in the 'accelerating' segment of the Life Cycle framework, and the first two are increasing their market presence through acquisitions. Safran confirmed its acquisition of French industry peer Zodiac, and announced strong first quarter results, while German firm Henkel announced a record dividend, along with plans for further acquisitions. Legrand enjoyed another strong month, reporting strong first quarter earnings, and continues to create innovative solutions for customers, with a number of new products recently released.

Detractors from performance over the month included Constellation Software, Omnicom (an international advertising and marketing firm) and US firm Verizon Communications. All three reported results during the month, and Constellation Software and Verizon missed analysts' earnings expectations for the first quarter of 2017. Omnicom beat expectations, however there are concerns in the sector that the advertising market is slowing. The slight cooling of the 'Trump trade', along with some tepid data releases, also had a general dampening effect upon US stocks. Constellation Software is in the 'slowing and maturing' stage of the life cycle framework, and is a diversified software development and services firm, with many sub-companies. It has been pursuing growth opportunities through significant acquisition activity, with one recent example being the acquisition of Dealer Information Systems, which provides software and systems for industrial equipment dealers. Omnicom is in the 'compounding' segment of the life cycle framework, and is focusing on organic growth through winning new business and participating in advertising market growth as clients spend more in this area. Verizon is in the 'mature' stage of the life cycle framework. The company is focused on maintaining returns, however has been losing mobile customers to T-Mobile, which is competing aggressively on price. The investment manager is monitoring the market dynamics, and their analysis suggests that, currently, the investment payoff remains attractive for Verizon.

The investment manager remains focused on investing in wealth creating companies at attractive valuations as the investment manager believes that this is likely deliver superior risk-adjusted returns for investors over the long term.

Performance

	Net Fund Return (%)	Benchmark Return (%)	Active Return (%)
1 month	3.74	3.52	0.22
3 months	5.98	7.00	-1.02
6 months	12.24	14.09	-1.85
1 year	14.53 ¹	17.02 ²	-2.49 ¹
3 years (pa)	8.68 ¹	13.73 ²	-5.05 ¹
Since inception ⁴ (pa)	6.97 ¹	6.42 ²	0.55 ¹

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.

¹ Performance not attributable to Royal London, but the previous investment manager.

² The MSCI World NR AUD was adopted as the Fund's benchmark on 1 September 2016, benchmark calculations prior to this date are based on the MSCI World ex Australia in AUD.

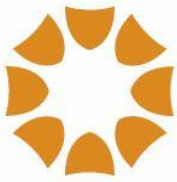
³ As at 31 December 2016. Refer to PDS and website for full breakdown of management costs

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

Contact Details

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Top 5 Holdings

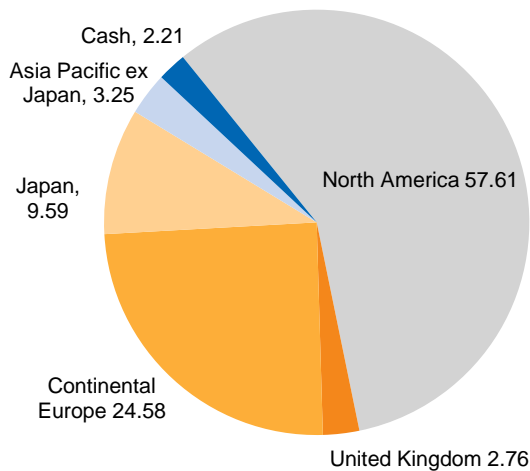
Stock	Country (Domicile)	Sector	%
Berkshire Hathaway	United States	Financial	4.55
Bechtle	Germany	Technology	3.96
Bandai Namco Holdings	Japan	Consumer Discretionary	3.74
CRH	United Kingdom	Industrial	3.73
Omnicom	United States	Communications	3.34

Top and Bottom 5 Contributors for the Month

Stock	(%)	Stock	(%)
Safran	0.35	Constellation Software	-0.12
Bechtle	0.31	Omnicom Group	-0.11
Union Pacific Corporation	0.27	Verizon Communications	-0.08
Bayer	0.25	Wells Fargo & Co	-0.08
International Paper Co.	0.23	Eli Lilly & Co	-0.02

Asset Allocation

Regional Asset Allocation (%)



Sector Asset Allocation (%)



Important information

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