

Performance report | 31 January 2025

Canopy Global Small & Mid Cap Fund

Overview

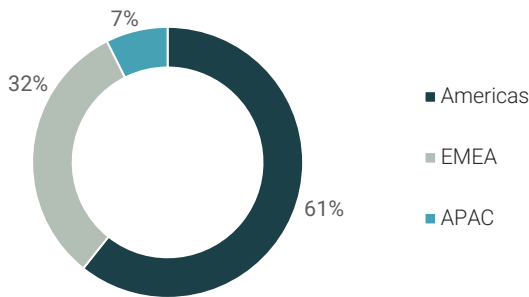
The Canopy Global Small & Mid Cap Fund invests in a concentrated portfolio of high quality and attractively priced small and mid-cap listed companies, with balanced exposures across a range of sectors and regions. The fund will primarily invest in companies with demonstrable competitive advantages, aligned management, strong financial results, and favourable ESG characteristics, and aims to achieve a return, after fees, exceeding the Benchmark¹ over a market cycle of five to seven years.

Net returns

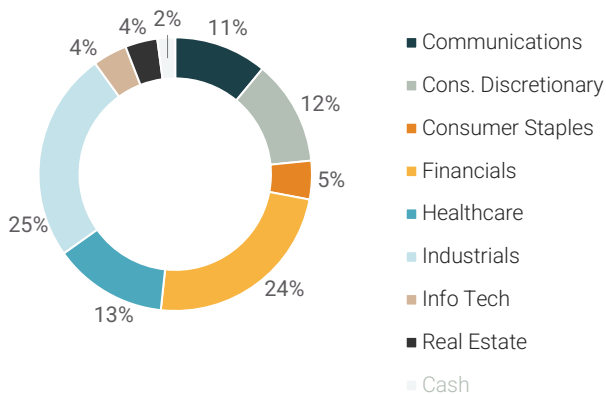
	Fund	Benchmark ¹	Difference
1 mth	3.1%	3.4%	-0.3%
3 mths	7.2%	9.6%	-2.4%
1 year	-	-	-
Since inception a.r. ²	9.9%	18.8%	-8.9%

Performance figures are net of fees and expenses.
 'Difference' calculation does not use rounded performance figures. Past performance is not indicative of future performance.

Regional revenue breakdown



Sector breakdown



Top 10 holdings

At month end, in alphabetical order

Company	Sector	Region
Auto Trader	Communications	Western Europe
Corpay	Financials	North America
Dollarama	Consumer Staples	North America
Rollins	Industrials	North America
SBA Communications	Real Estate	North America
Spirax	Industrials	Western Europe
STERIS	Healthcare	North America
Tradeweb	Financials	North America
Trex	Industrials	North America
Wise	Financials	Western Europe

The top 10 positions equate to 44% of the portfolio.

Top contributors and detractors

To monthly performance, in order of contribution

Top contributors	Contribution to return
Spirax	0.7%
Moncler	0.7%
Corpay	0.5%

Top detractors	Contribution to return
ICON	-0.2%
Tradeweb	-0.2%
Dollarama	-0.2%

Portfolio characteristics³

	Fund	Benchmark ¹	Comment
Growth - revenue	12%	6%	Higher quality
Profitability – EBIT margin	27%	9%	
Cash conversion – OCF/OIBDA	100%	88%	
Return on capital	40%	9%	
Leverage – net debt/EBIT	1.1x	2.0x	
Beta	1.0	1.0	Fully invested
Active share	98%	N/A	Genuinely active
No. of stocks	30	7,443	

Commentary

The Canopy Global Small & Mid Cap Fund increased 3.1% in January, 0.3% lower than the benchmark.

Spirax increased 18% in January, reflecting improving investor sentiment after industry data and peer commentary indicated a stabilization in the biopharma market - a critical end market for Spirax's Watson-Marlow division. The appointment of Stuart Roby as Watson-Marlow's new Managing Director also helped reduce uncertainty around this division's prospects.

Icon declined 5% in January after issuing 2025 sales guidance that was below its previous expectation expressed in November. Its guidance range was also uncharacteristically wide, reflecting management's uncertainty. While elevated biotech cancellations reduced the portion of its backlog expected to convert to revenue in 2025, encouragingly, its aggregate backlog continued to grow. Despite near-term pressures, we expect Icon's long-term growth to be driven by continued demand for novel therapies, the ability of clinical research organisations to deliver efficient R&D outcomes for pharma, and share gains by the leading global clinical research organisations, including Icon.

Shares advanced in January, though markets faced significant sources of volatility. First, Chinese AI firm DeepSeek announced a new large language model comparable to market leaders but purportedly developed for a fraction of the cost and using less advanced chips, triggering a selloff in technology stocks leveraged to this thematic. Many such stocks quickly recovered though, likely aided by significant retail flows into this area. Second, markets began digesting potential implications of President Trump's proposed policies. Against this backdrop, European markets modestly outperformed the US, likely reflecting relief at Trump's initially selective approach to tariffs and supported by the ECB's 25 basis point rate cut amid signs of economic stagnation. Meanwhile, the Federal Reserve held rates steady at 4.25-4.5% as US economic data remained robust, including stronger-than-expected December payrolls.

Fund details

Feature	Information
APIR code	BFL3029AU
Investment manager	Canopy Investors
Portfolio managers	Kris Webster, Michael Poulsen, and Jack McManus
Reporting currency	AUD
Recommended investment period	Long term (minimum five years)
Cash limit	10%
No. of securities	30
Application/redemption price (AUD)	1.1010/1.0966
Distribution frequency	Annually
Management fees and costs ⁴	1.15% p.a. (including GST)
Performance fee ⁵	15.375% p.a. (including GST)
Buy/sell spread	+/- 0.20%
Minimum investment (AUD)	20,000

How to invest

The Fund is open to investors directly via the PDS (available on our [website](#)). Visit [How to invest](#) to find out more.

Get in touch

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1 S&P Developed markets MidSmallCap (AUD) Net Total Return.

2 Inception date is 21 June 2024. Since inception absolute return (a.r) represents total investment returns calculated from the fund's inception date.

3 Quality metrics (Growth – revenue; Profitability - EBIT margin; Cash conversion - OCF/OIBDA; Return on capital and Leverage - Net debt/EBIT) for the portfolio are based on the most recent fiscal year and are weighted by portfolio weight. Metrics for the benchmark represent the median of the estimated index. All data is sourced from FactSet and adjusted for outliers.

Growth – revenue is calculated as the annual change in reported revenue.

Profitability - EBIT margin is calculated as annual reported earnings before interest and tax, divided by revenue.

Cash conversion - OCF/OIBDA is calculated as annual operating cash flow less stock-based compensation divided by reported net profit plus interest, depreciation and amortization.

Return on capital is calculated as annual reported earnings before interest and tax, divided by net debt plus equity.

Leverage – net debt/EBIT is calculated as net debt divided by annual reported earnings before interest and tax.

Beta is calculated on a weekly basis using data from the previous 5 years, as reported by FactSet.

Active share is estimated as the sum of each security's portfolio weight minus its index weight and includes cash.

4 Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.

5 Performance fee is 15.375% (including GST net of reduced input tax credits) of any amount by which the investment return is greater than the return of the benchmark. All values are in Australian dollars.

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