

# Performance report | 30 November 2024

## Canopy Global Small & Mid Cap Fund

### Overview

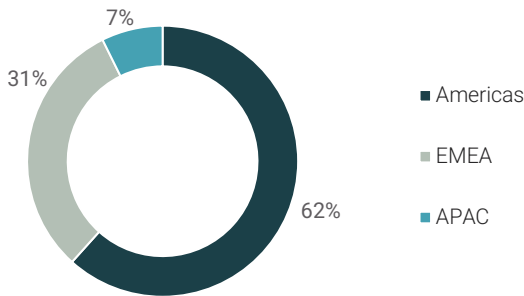
The Canopy Global Small & Mid Cap Fund invests in a concentrated portfolio of high quality and attractively priced small and mid-cap listed companies, with balanced exposures across a range of sectors and regions. The fund will primarily invest in companies with demonstrable competitive advantages, aligned management, strong financial results, and favourable ESG characteristics, and aims to achieve a return, after fees, exceeding the Benchmark<sup>1</sup> over a market cycle of five to seven years.

### Net returns

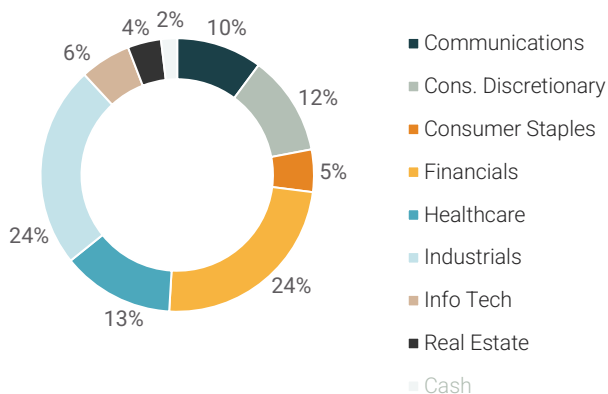
	Fund	Benchmark <sup>1</sup>	Value added
1 mth	2.8%	7.1%	-4.3%
3 mths	2.5%	11.0%	-8.6%
1 year	-	-	-
Since inception a.r. <sup>2</sup>	5.4%	16.0%	-10.7%

Performance figures are net of fees and expenses.  
 'Value added' 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 Markets	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
Wise	0.7%
Corpay	0.6%
Spirax	0.4%

Top detractors	Contribution to return
Moncler	-0.5%
MarketAxess	-0.3%
ICON	-0.2%

## Portfolio characteristics<sup>3</sup>

	Fund	Benchmark <sup>1</sup>	Comment
Growth - revenue	11%	6%	Higher quality
Profitability – EBIT margin	27%	9%	
Cash conversion – OCF/OIBDA	100%	88%	
Return on capital	40%	10%	
Leverage – net debt/EBIT	1.1x	2.0x	
Beta	1.0	1.0	Fully invested
Active share	99%	N/A	Genuinely active
No. of stocks	31	7,452	

## Commentary

The Canopy Global Small & Mid Cap Fund increased 2.8% in November, underperforming the benchmark by -4.3%.

Wise increased 25% in November as the company delivered strong first-half results despite a large and deliberate price reduction. Wise is a founder-led company, and is convinced that continuing to lower fees on cross-border transactions as it scales will drive customer growth by referral, and ultimately encourage banks to abandon legacy correspondent banking networks in favour of its Wise Platform. This addressable opportunity is over 200x larger than its current volume. To this end, the stock also responded positively to the news that Standard Chartered has signed on to use Wise Platform as its cross-currency infrastructure on a portion of its business.

Moncler declined 9% following third-quarter results that showed moderating momentum across its markets. A challenging macroeconomic environment in China continues to affect the broader luxury sector, with an uncertain duration. Moncler also faces temporary headwinds from its strategic reduction in wholesale distribution and ongoing redevelopment of Stone Island, which it acquired in 2023. Despite these near-term headwinds, we believe Moncler's competitive advantages remain strong, with significant runway for growth through both its core brand and Stone Island. The company's relative outperformance versus luxury peers during this industry-wide slowdown reinforces our confidence in its strategic positioning.

Global markets showed unusually high regional divergence in November. In the US, small and mid cap companies increased by 9%, supported by Trump's election victory and expectations of tax cuts and deregulation, along with the return of 'animal spirits.' The strongest gains were recorded by US technology companies, particularly those that had been significantly sold off during the growth pivot post-COVID, as well as US financials – including firms exposed to cryptocurrencies, buy-now-pay-later services, and personal credit, along with regional banks - and energy companies. The Canopy Global Small & Mid Cap Fund does not have meaningful exposure to these companies. In

contrast, most international markets declined in USD terms in November, impacted by concerns that the new US administration will implement widespread tariffs, and in Europe, weak PMI data, political uncertainty in France and Germany, and softening corporate outlooks.

## 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	31
Application/redemption price (AUD)	1.0559/1.0517
Distribution frequency	Annually
Management fees and costs <sup>4</sup>	1.15% p.a. (including GST)
Performance fee <sup>5</sup>	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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