

# Performance report | 28 February 2025

## Canopy Global Small & Mid Cap Fund

### Overview

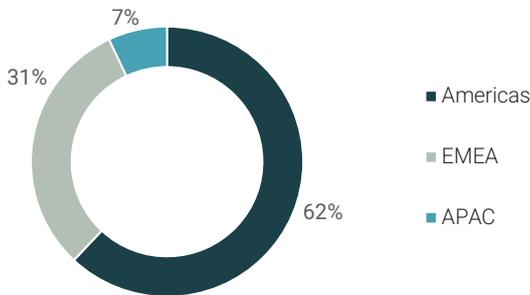
The Canopy Global Small & Mid Cap Fund invests in a concentrated portfolio of high quality and attractively priced small and mid-cap listed companies, with balanced exposures across a range of sectors and regions. The fund will primarily invest in companies with demonstrable competitive advantages, aligned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

### Net returns

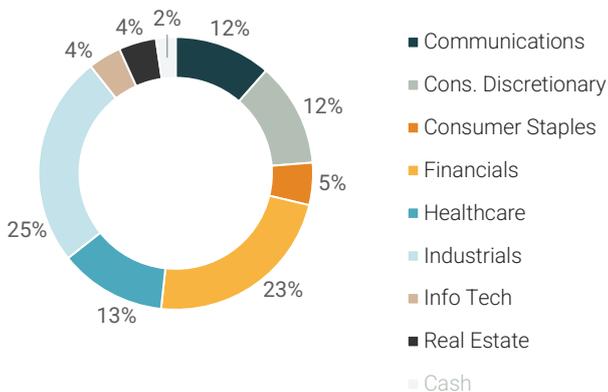
	Fund	Benchmark <sup>1</sup>	Difference
1 mth	-0.5%	-1.6%	1.0%
3 mths	3.7%	0.8%	3.0%
1 year	-	-	-
Since inception a.r. <sup>2</sup>	9.3%	16.9%	-7.6%

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
Moncler	Consumer Discretionary	Western Europe
Rollins	Industrials	North America
SBA Communications	Real Estate	North America
Spirax	Industrials	Western Europe
STERIS	Healthcare	North America
Tradeweb	Financials	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
Dollarama	0.5%
SBA Communications	0.4%
Hemnet	0.4%

Top detractors	Contribution to return
Trex	-0.6%
Wise	-0.4%
Spirax	-0.4%

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

	Fund	Benchmark <sup>1</sup>	Comment
Growth - revenue	11%	6%	Higher quality
Profitability – EBIT margin	29%	9%	
Cash conversion – OCF/OIBDA	91%	88%	
Return on capital	39%	10%	
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	32	7,425	

## Commentary

The Canopy Global Small & Mid Cap Fund decreased 0.5% in February, outperforming the benchmark by 1.0%.

Dollarama, a dominant Canadian dollar store chain, increased 10% in February, benefiting from declining bond yields and a rotation into non-US defensives. Dollarama's convenience and low-price value proposition continues to resonate in a tough consumer environment, driving strong traffic growth across a broadening consumer base. Recently management extended their domestic store target to 2,200 locations by 2034, highlighting significant growth runway beyond the current ~1,500 store footprint.

Trex, the market leader in composite decking materials, declined 15% in February, reflecting deteriorating investor sentiment after macroeconomic data indicated a sequential weakening in US housing turnover momentum. Sustained elevated mortgage rates have contributed to a "lock-in effect" where homeowners with favorable existing mortgages are reluctant to move, reducing overall housing transactions and subsequent renovation activity. In this context, Trex's management recently revised their 2025 outlook for repair and remodel (R&R) market growth from low-single-digit to flat; however, the company is still expected to materially outperform the broader market. Trex's advantages in manufacturing, distribution, and brand continue to support its long-term wood-to-composite conversion opportunity.

US shares decreased with defensive sectors outperforming cyclicals, reflecting softening economic indicators: consumer confidence fell to an eight-month low of 98.3, real spending contracted 0.5%, and the Atlanta Fed's GDPNow estimate turned negative. The Trump administration's announced tariffs on Canadian, Mexican, and Chinese imports added to market uncertainty. The Federal Reserve balanced inflation and growth considerations, while Treasury yields decreased to 4.21% as markets adjusted rate cut expectations. International markets performed well, with European equities rising 3%, supported by positive earnings and potential fiscal expansion following Germany's elections.

## 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	32
Application/redemption price (AUD)	1.0953/1.0909
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



[canopyinvestors.com.au](https://canopyinvestors.com.au)



[client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)



1800 895 388 (AU) / 0800 442 304 (NZ)

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.

This information is issued by Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the Canopy Global Small & Mid Cap Fund. The Fund is managed by Canopy Investors, a Bennelong boutique. This is general information only, and does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which BFML is the Trustee or Responsible Entity (Bennelong Fund). This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the relevant Product Disclosure Statement (PDS) which is available on the BFML website, [bennelongfunds.com](http://bennelongfunds.com), or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ). Information about the Target Market Determinations (TMDs) for the Bennelong Funds is available on the BFML website. BFML may receive management and or performance fees from the Bennelong Funds, details of which are also set out in the current IM and or PDS. BFML and the Bennelong Funds, their affiliates and associates accept no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that any Bennelong Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Bennelong Fund. Past fund performance is not indicative of future performance. Information is current as at the date of this document. Canopy Investors (ABN 88 677 231 079) is a Corporate Authorised Representative of BFML.