

Performance report | 31 March 2025

Canopy Global Small & Mid Cap Fund

Overview

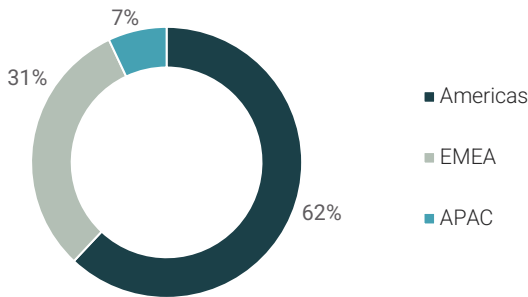
The Canopy Global Small & Mid Cap Fund invests in a concentrated portfolio of high quality and attractively priced small and mid-cap listed companies, with balanced exposures across a range of sectors and regions. The fund will primarily invest in companies with demonstrable competitive advantages, aligned 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

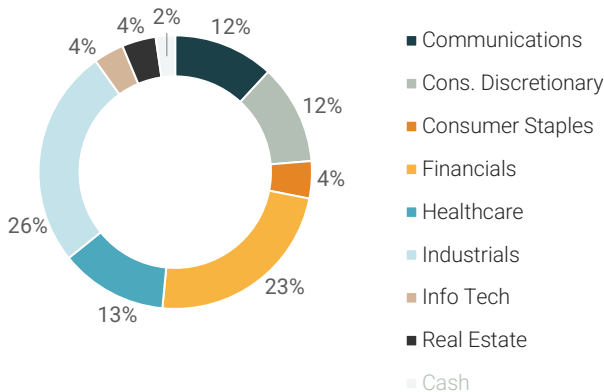
	Fund	Benchmark ¹	Difference
1 mth	-2.2%	-3.7%	1.5%
3 mths	0.3%	-2.0%	2.3%
1 year	-	-	-
Since inception a.r. ²	6.9%	12.6%	-5.7%

Performance figures are net of fees and expenses.
¹'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
Edenred	Financials	Western Europe
Hemnet	Communications	Western Europe
Rollins	Industrials	North America
SBA Communications	Real Estate	North America
STERIS	Healthcare	North America
Tradeweb	Financials	North America
Trex	Industrials	North America

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

Top contributors and detractors

Top monthly performance, in order of contribution

Top contributors	Contribution to return
Tradeweb	0.5%
MarketAxess	0.3%
Autozone	0.2%

Top detractors	Contribution to return
Spirax	-0.5%
Moncler	-0.4%
Hemnet	-0.4%

Portfolio characteristics³

	Fund	Benchmark ¹	Comment
Growth - revenue	11%	5%	Higher quality
Profitability – EBIT margin	29%	9%	
Cash conversion – OCF/OIBDA	90%	88%	
Return on capital	39%	9%	
Leverage – net debt/EBIT	1.1x	2.1x	
Beta	1.0	1.0	Fully invested
Active share	98%	N/A	Genuinely active
No. of stocks	31	7,415	

Commentary

The Canopy Global Small & Mid Cap Fund decreased 2.2% in March, outperforming the benchmark by 1.5%.

Tradeweb, a leading electronic trading platform for government bonds and corporate debt, increased 10%. The company has an enormous long-term opportunity as it continues to digitize fixed income trading, which is still primarily conducted over the phone. Tradeweb's short-term performance, however, can be influenced by market conditions - specifically, credit spread volatility (higher is better) and yield curve shape (upward sloping is better). The increased policy uncertainty and recession fears in March created market volatility that likely benefited Tradeweb's recent trading volumes and revenue.

Spirax, a global leader in industrial steam and fluid control systems, declined 15%. The company released its FY24 results, which were broadly in-line with expectations, but issued disappointing FY25 guidance reflecting a cautious industrial production outlook and higher-than-expected central costs. The decline also reflected concerns that tariff uncertainty may cause customers to defer purchases of capital equipment. Despite these near-term cyclical challenges, Spirax's quality remains unchanged.

US shares declined further in March, with volatility increasing as the Trump administration implemented tariffs on Canadian, Mexican, and Chinese imports, and while markets anticipated additional tariffs on "Liberation Day" in early April. Economic momentum appeared to soften, with manufacturing contracting and unemployment ticking higher, contributing to a rotation from growth, and more speculative areas of the market, to defensive sectors. The Federal Reserve responded to these developments by maintaining rates while lowering its growth forecast from 2.1% to 1.7%. Uncertainty drove investors toward safe havens, with gold prices surging above \$3,000 to record highs. In contrast to US weakness, European equities showed resilience and emerging markets posted gains. The German government voted to increase fiscal spending including for defense, which should have positive impacts on domestic and regional growth.

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)	1.0709/1.0667
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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