

Performance report | 31 December 2024

Canopy Global Small & Mid Cap Fund

Overview

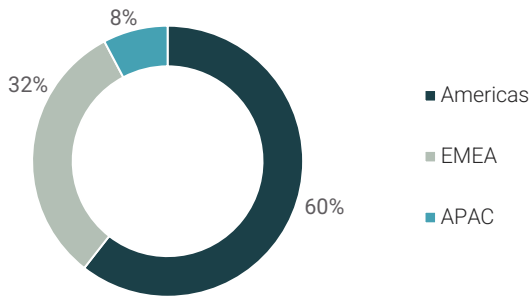
The Canopy Global Small & Mid Cap Fund invests in a concentrated portfolio of high quality and attractively priced small and mid-cap listed companies, with balanced exposures across a range of sectors and regions. The fund will primarily invest in companies with demonstrable competitive advantages, aligned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

Net returns

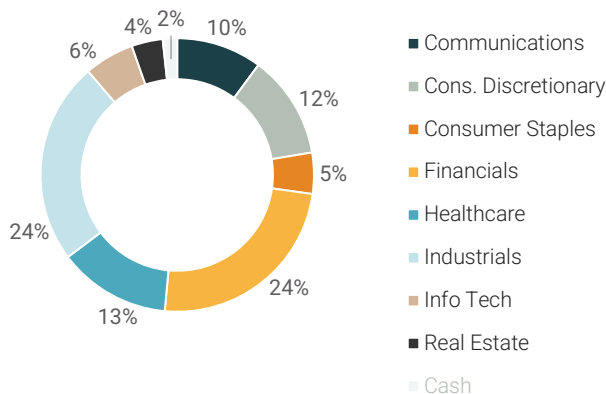
	Fund	Benchmark ¹	Value added
1 mth	1.1%	-1.0%	2.1%
3 mths	3.6%	9.7%	-6.2%
1 year	-	-	-
Since inception a.r. ²	6.6%	14.9%	-8.3%

Performance figures are net of fees and expenses.
¹Value 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
Moncler	Consumer Discretionary	Western Europe
Rollins	Industrials	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	0.9%
Moncler	0.5%
Ulta	0.3%

Top detractors	Contribution to return
Corpay	-0.3%
MarketAxess	-0.2%
SBA Communications	-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	41%	9%	
Leverage – net debt/EBIT	1.0x	2.0x	
Beta	1.0	1.0	Fully invested
Active share	98%	N/A	Genuinely active
No. of stocks	31	7,457	

Commentary

The Canopy Global Small & Mid Cap Fund increased 1.1% in December, outperforming the benchmark by 2.1%.

Wise extended its strong momentum, increasing 21% in December, as investors continued to gain confidence in the company's platform strategy and growth trajectory. The announcement that Morgan Stanley would integrate Wise's infrastructure marked another significant win, validating management's thesis that traditional financial institutions will increasingly adopt its modern cross-border payment rails. Recent platform wins demonstrate Wise's competitive advantages in both technology and compliance, having built direct connections to eight payment systems globally while maintaining high service quality at declining prices.

Corpay declined 11% following strong gains during the US election period. The company announced CFO Tom Panther will depart in March 2025 after less than two years in the role to join a non-profit organization. While his relatively short tenure raised some investor questions, management reaffirmed Q4 guidance and emphasized that business fundamentals remain strong.

Global SMID equities declined in December, marking a partial reversal of trends that characterized the performance in October and November. US SMID equities fell by 7.0% in USD, underperforming most international markets, led by declines in energy and materials, and other market segments that had surged following Trump's election, such as US regional banks. In addition to a shift in risk sentiment, this was likely partly attributable to a more cautious outlook provided by the Federal Reserve, projecting fewer rate cuts for 2025 than previously expected. International SMID equities also declined, with notably uncertain inflation and political environments in France and Germany.

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)	1.0677/1.0635
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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