

Performance report | 31 August 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.

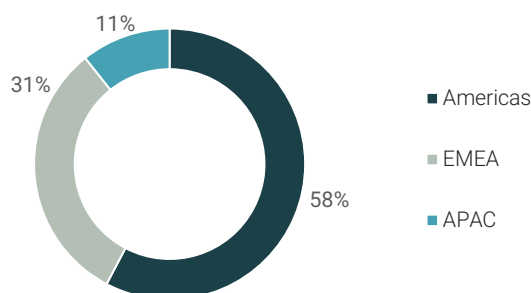
Net returns

	Fund	Benchmark ¹	Difference
1 mth	-1.6%	1.4%	-3.0%
3 mths	-0.3%	7.1%	-7.4%
6 mths	-1.9%	7.4%	-9.3%
1 year	4.2%	20.2%	-15.9%
Since inception a.r. ²	7.2%	25.6%	-18.4%

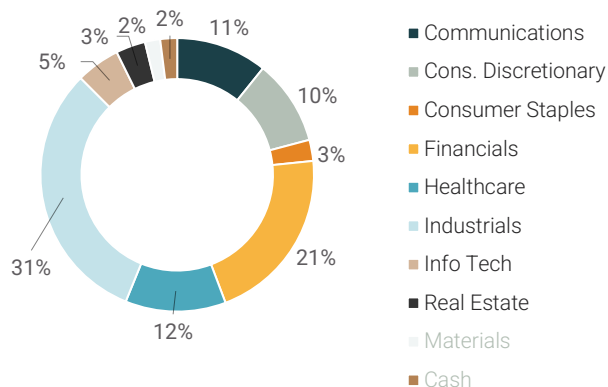
Performance figures are net of fees and expenses.

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
Autozone	Consumer Discretionary	North America
Clean Harbours	Industrials	North America
HEICO	Industrials	North America
Moncler	Consumer Discretionary	Western Europe
Rollins	Industrials	North America
Spirax	Industrials	Western Europe
STERIS	Healthcare	North America
Tradeweb	Financials	North America
Wise	Financials	Western Europe

The top 10 positions equate to 43% of the portfolio.

Top contributors and detractors

To monthly performance, in order of contribution

Top contributors	Contribution to return
Spirax	0.6%
Autozone	0.3%
STERIS	0.3%

Top detractors	Contribution to return
Gartner	-0.7%
Tradeweb	-0.6%
Hemnet	-0.5%

Portfolio characteristics³

	Fund	Benchmark ¹	Comment
Growth - revenue	11%	6%	Higher quality
Profitability – EBIT margin	28%	9%	
Cash conversion – OCF/OIBDA	90%	87%	
Return on capital	38%	10%	
Leverage – net debt/EBIT	1.0x	2.0x	
Beta	0.9	0.9	Fully invested
Active share	99%	N/A	Genuinely active
No. of stocks	31	7,298	

Commentary

The Canopy Global Small & Mid Cap Fund decreased 1.6% in August.

Spirax increased by 15%. Spirax supplies heating equipment and pumps, deploying engineers who visit customer sites to diagnose issues and recommend solutions, creating ongoing service relationships. The company had faced cyclical headwinds from weak demand for large capital projects in China and Korea, plus a post-COVID downturn in biopharmaceuticals. However, 1H25 results beat expectations and showed improving trends across key areas. In China, the company is successfully shifting from large projects to higher-margin maintenance work, while Korea improved as political instability eased. Meanwhile, biopharmaceutical orders exceeded sales for the first time since 2021, signaling the industry downturn may be ending. The results indicated management initiatives are gaining traction while cyclical recovery prospects improve the medium-term outlook.

Gartner declined 23%. Gartner is a leading information services company that provides executive-level insights to support business decision-making, particularly in IT. The stock fell following 2Q25 results, which highlighted weaker customer spending due to U.S. federal budget cuts and increased cost scrutiny among tariff-affected clients. Investor concerns were compounded by fears that AI could replace Gartner's insights, adding further pressure to the share price. While we are mindful of the risks posed to Gartner by AI, we do not believe they are currently having a meaningful impact on its business. Gartner's differentiated insights, derived from a large network of research analysts and more than 500,000 client interactions per year, play a critical role in enterprise-level decision-making. These decisions often have significant implications for day-to-day operations and are not made lightly. While near-term customer spending remains under pressure, we currently view this as a cyclical slowdown rather than a structural issue.

Global equities rose in August supported by solid corporate earnings. Markets focused on Federal Reserve policy pivot expectations, triggered by July's disappointing nonfarm

payrolls report and reinforced by Chair Powell's dovish Jackson Hole speech signaling September rate cuts. The materials sector led gains due to progress toward trade agreements and expanding manufacturing activity, while utilities underperformed, declining -3%. France faced notable headwinds as political uncertainty spiked following Prime Minister François Bayrou's call for a confidence vote over budget disputes.

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)	1.0675/1.0633
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.

Platforms

Netwealth (Wealth Accelerator Plus)

Get in touch



canopyinvestors.com.au



client.experience@bennelongfunds.com



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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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