

Performance report | 31 July 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.

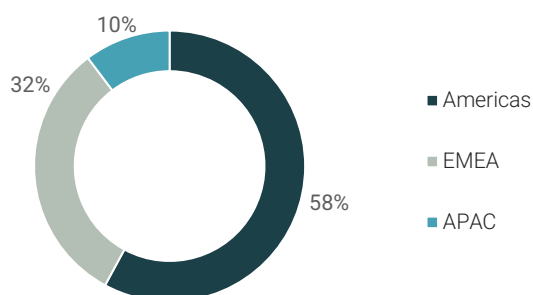
Net returns

	Fund	Benchmark ¹	Difference
1 mth	1.9%	3.2%	-1.3%
3 mths	2.8%	11.2%	-8.4%
6 mths	-0.9%	4.2%	-5.1%
1 year	3.7%	16.0%	-12.3%
Since inception a.r. ²	8.9%	23.8%	-14.9%

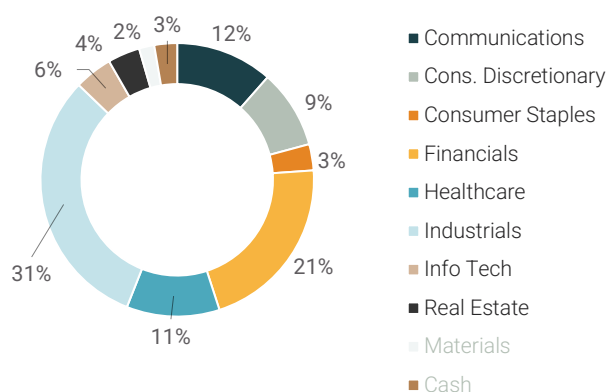
Performance figures are net of fees and expenses.

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
Clean Harbours	Industrials	North America
HEICO	Industrials	North America
Hemnet	Communications	Western Europe
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

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
Medpace	1.1%
PTC	0.8%
Trex	0.7%

Top detractors	Contribution to return
Brown & Brown	-0.3%
Gartner	-0.2%
Tradeweb	-0.2%

Portfolio characteristics³

	Fund	Benchmark ¹	Comment
Growth - revenue	11%	6%	Higher quality
Profitability – EBIT margin	28%	9%	
Cash conversion – OCF/OIBDA	89%	87%	
Return on capital	37%	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	7,317	

Commentary

The Canopy Global Small & Mid Cap Fund increased 1.9% in July.

Medpace increased by 36%. Medpace is a clinical research organization (CRO) that focuses primarily on small biotech customers. Small biotechs are the engine of innovation in the pharma industry and are expected to grow at high-single digit rates over the medium term. After many years of double-digit net bookings growth, Medpace's net bookings slowed in mid-2024 due to a sharp increase in cancellations which management blamed mostly on a weak funding environment. Despite expectations of continued net booking weakness, cancellations normalized during Q2, leading management (and the market) to sharply increase the H2 net bookings outlook. Other CROs releasing Q2 results also saw "green shoots." Medpace's shares rose 50% the day after the result, in part due to short covering.

Brown & Brown declined 18%. Brown & Brown is an insurance broker which sells third-party insurance policies to its business customers. Demand for insurance is economically insensitive, but the price of insurance is cyclical. Brown & Brown's sales have benefited from increasing insurance pricing for the past several years. However, in Q2 its organic sales growth slowed, as pricing in most lines of insurance decelerated, and in some lines, like catastrophe property, declined. This is impacting all competitors in the insurance brokerage industry. One silver lining is that the current macro environment may lead to lower acquisition prices for Brown & Brown's insurance brokerage targets.

Global equities rose in July as trade uncertainty eased with the US reaching tariff agreements with the EU (15%), Japan (15%), and UK (10%). In the US, small- and mid-cap companies increased +4% in AUD, while performance in Western Europe was more muted, with the UK and Sweden declining -1%. Global small- and mid-cap benchmarks have consequently now regained their all-time highs, with the recovery from the lows following the introduction of Trump's Liberation Day tariffs continuing to be led by more speculative areas of the market. Central banks held rates

steady amid hawkish commentary that lifted bond yields, as reduced trade tensions and earnings strength outweighed inflationary pressures.

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)	1.0846/1.0802
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



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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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