

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - August 2016



Fund Objective

To outperform the MSCI World Small Cap Index \$A on an annual basis and to outperform the same index by 2% to 3% p.a. over a full market cycle (e.g 5 - 7 years).

Fund Manager

Copper Rock Capital Partners LLC ("Copper Rock"), based in Boston, MA, was founded in 2005 and provides specialised global equity investment management solutions for investors throughout the world with a strong focus on small cap investing globally. Copper Rock had approximately \$4.9 billion (USD) in assets under management as at June 30, 2016.

Investment Philosophy and Approach

Copper Rock believes that small and mid-cap markets are inefficient and uses a blend of quantitative and fundamental analyses to identify companies with superior growth rates relative to their peers. The Global Small Cap strategy typically looks for resilient and defensible business models that are characterized by underlying unit growth, longer term market share gains (an evidence of competitive strength), high profitability, and significant internal cash generation. Distinguishing elements of the process are also the application of a routinely practiced and proven Sell Discipline and Alert List that provide risk control and are crucial in preserving alpha earned in the portfolio.

Ratings

Zenith Investment Partners – Recommended
Lonsec – Recommended

Fund Summary as at 31 August 2016

APIR Code	ETL0410AU
Exit Price	0.9422
Inception Date	1 July 2014
Companies in Portfolio	95
Total Management Fee	1.38%
Indirect Cost Ratio (ICR)	1.38%
Buy / Sell Spread	0.20% / 0.20%
Investment Manager	Copper Rock Capital Partners, LLC

Portfolio Management Team

Stephen Dexter	CIO, Lead Portfolio Manager
Denise Selden, CFA	Portfolio Manager
H. David Shea, CFA	Portfolio Manager
Responsible Entity	Equity Trustees Limited
Custodian	State Street Australia Limited

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any security discussed will remain in portfolio at any time you receive this report or that securities sold have not been repurchased. The securities mentioned may represent only a small percentage of a portfolio's holdings. It should not be assumed that any of the holdings were or will prove to be profitable, or that the investment recommendations made in the future will be profitable or will equal the performance of the securities presented in this material. All securities recommendations within the preceding 12 months are available upon request.

Monthly Performance (gross %)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	-3.99	-1.90	-0.37	0.98	8.09	-5.85	2.49	0.22				
2015	3.20	6.50	4.51	-3.95	4.87	-1.63	5.34	-2.70	-1.92	2.18	-2.09	-2.29
2014	n/a	n/a	n/a	n/a	n/a	n/a	-3.22	2.13	0.81	3.10	4.73	4.75

Performance (%)

Performance %	1 mth	3 mths	6 mths	1 year	2 years	Inception pa>
Total (net)	0.10	-3.65	4.39	-6.41	10.79	9.18
Benchmark*	1.31	0.03	10.92	2.23	14.53	13.07
Active Return#	-1.21	-3.68	-6.53	-8.64	-3.74	-3.89
Distribution				11.78	11.31	10.37

*Benchmark – MSCI World Small Cap \$A

> Inception Date: 1 July 2014 # Based on net performance. The performance data has not been audited. Performance figures are audited on an annual basis. Source: State Street.

Top 10 Common Stock Holdings**

Companies	% of Portfolio	Country
SOUTH STATE CORPORATION	1.7	USA
TELEFLEX, INC.	1.7	USA
NEXITY	1.5	FRANCE
NUTRISYSTEM, INC.	1.5	USA
EL PASO ELECTRIC COMPANY	1.4	USA
GERRESHEIMER AG	1.4	GERMANY
HILL-ROM HOLDINGS, INC.	1.4	USA
PAREX RESOURCES, INC.	1.4	CANADA
WEBSTER FINANCIAL CORP.	1.4	USA
WHITECAP RESOURCES, INC.	1.4	CANADA
TOTAL:	14.8%	

Portfolio Characteristics*

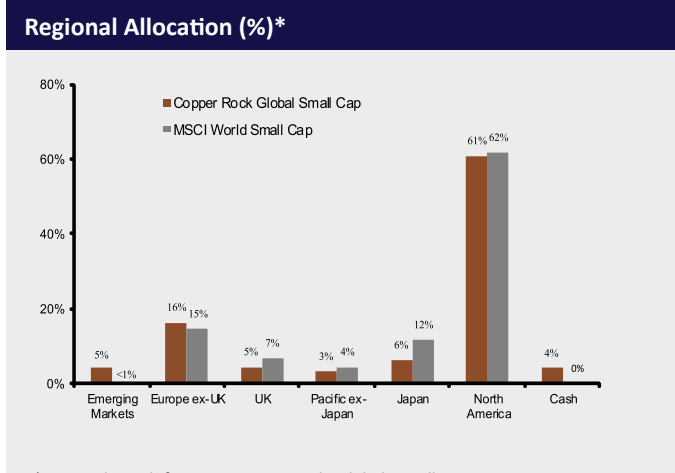
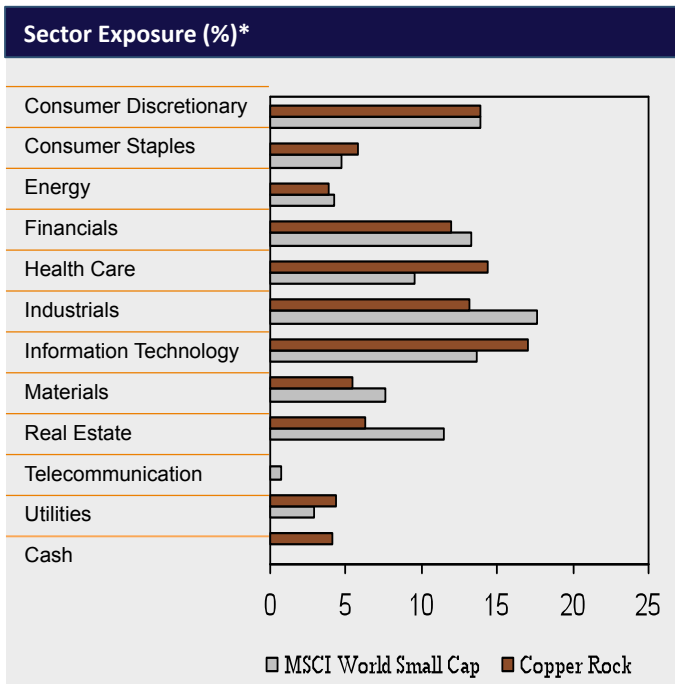
Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	11.1	9.4
P/E (Forward 1 Year)	17.7	17.6
LT EPS Growth	14.0	12.5
ROE	14.1	9.1
ROA	5.0	4.0
Operating Margin	15.4	16.4
Yield (%)	2.3	2.7
Price to Book	2.6	1.8
Weighted Average Market-Cap (US\$bil)	2.3	2.8
Number of Holdings	95	4,298

* Data derived from a Copper Rock Global Small Cap representative account expressed in USD. Source: FactSet.

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Market Commentary

The Copper Rock Global Small Cap Fund returned +0.22% (AUD) in August but underperformed the respective index, the MSCI World Small Cap index which was up +1.31% (AUD).

Within the portfolio, the Consumer Staples sector demonstrated the most positive contribution to relative return on a stock selection basis. Copper Rock's position in Amplify Snack Brands, Inc. was up almost 19% and a leading contributor for the month. Having no exposure to the Telecommunication Services sector also contributed to relative return. Although the Information Technology sector as a whole detracted from relative return, the positions in Fleetmatics Group Plc, an Ireland based provider of fleet management solutions for small businesses, and Hackett Group, Inc., a US based provider of advisory and consulting services, were among the top five contributors. Other top contributors in the month included Parex Resources, Inc. (Energy/Canada) and Nautilus, Inc. (Consumer Discretionary/US). There was underperformance from individual stock selection within the Industrials, Financials, Real Estate, Utilities, Materials, and Consumer Discretionary sectors.

The portfolio was down across all regions led by Japan and Continental Europe as the strategy continues to fight a style headwind that has been prevalent throughout much of the year. This is an environment where stocks with lower p/e values, lower price/book multiples and lower recent history of success tended to outperform – stocks that do not comprise the global small cap portfolio and do not meet the investment criteria for this strategy. The decision to maintain an overweight allocation relative to the index in Emerging Markets and Continental Europe was additive. Insperty, Inc. which was a leading performer in the 2nd quarter took a pause after announcing mixed quarterly earnings – missed revenues but increased the EPS guidance. Given a number of pass-through elements (e.g. payroll taxes, insurance premiums), revenue in the business is not as good an indicator of demand growth as the number worksite employees which continued to show strong growth. Copper Rock continues to own the position in the portfolio.

At the end of August, the portfolio maintains its overweight position relative to the index in the Healthcare, Information Technology, Utilities, and Consumer Staples sectors. It has more significant underweight positions relative to the index in the Real Estate, Industrials, and Materials sectors. There are modest underweight exposures relative to the index in the Financials and Telecommunication Services sectors. It remains approximately neutral weighted in the Consumer Discretionary and Energy sectors. Regionally, Emerging Markets has the most significant overweight relative to the index. The portfolio maintains a very modest overweight of about 1.8% relative in Continental Europe. It maintains the relative underweight to the index in Japan and the UK.

Spire Capital Pty Ltd ABN 21 141 096 120 AFSL No. 344365 ("Spire")
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