

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - August 2017



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 \$5.7 billion (USD) in assets under management as at June 30, 2017.

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 2017

APIR Code ETL0410AU

Exit Price 0.9674

Inception Date 1 July 2014

Companies in Portfolio 93

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
2017	-3.78	1.68	2.46	4.11	0.12	2.12	-1.98	1.03				
2016	-3.99	-1.90	-0.37	0.98	8.09	-5.85	2.49	0.22	-1.27	-3.76	8.84	4.21
2015	3.20	6.55	4.51	-3.95	4.87	-1.63	5.34	-2.70	-1.92	2.18	-2.09	-2.29

Performance (%)

Performance %	1 mth	3 mths	6 mths	1 year	3 years	Inception pa>
Total (net)	0.91	0.76	7.22	12.24	11.27	10.13
Benchmark*	0.62	-2.48	4.32	11.30	14.14	13.45
Active Return#	0.29	3.24	2.90	0.94	-2.18	-2.38
Distribution				8.71	10.44	9.84

*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
Hill-Rom Holdings, Inc.	1.8	USA
Essent Group Ltd.	1.7	USA
NEXITY	1.6	FRANCE
Tosoh Corporation	1.5	JAPAN
Columbia Banking System, Inc.	1.5	USA
Indivior PLC	1.5	UK
Paltac Corporation	1.4	JAPAN
Philips Lighting NV	1.4	NETHERLANDS
Maeda Corporation	1.4	JAPAN
Orpea SA	1.4	FRANCE
TOTAL:	15.2%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	11.8	10.4
P/E (Forward 1 Year)	16.2	18.3
LT EPS Growth	11.7	12.9
ROE	14.6	9.5
ROA	6.5	4.2
Operating Margin	14.6	16.7
Yield (%)	2.0	2.6
Price to Book	2.4	1.9
Weighted Average Market-Cap (US\$bil)	2.9	3.2
Number of Holdings	93	4,309
Active Share	97%	

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

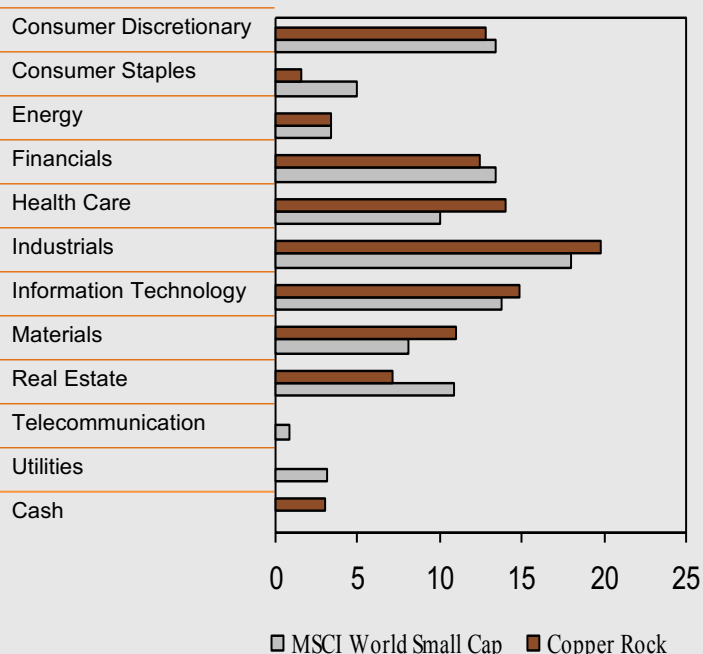
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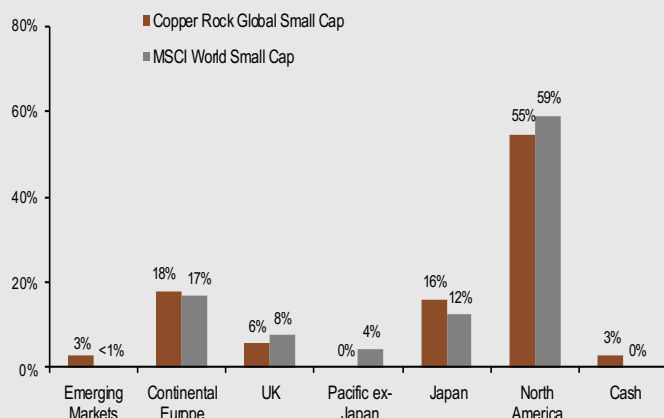
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Sector Exposure (%)*



Regional Allocation (%)*



* Data derived from a Copper Rock Global Small Cap representative account expressed in USD. Source: FactSet. Totals may not add to 100% due to rounding.

Contact

Spire Capital Pty Ltd
Level 14, 25 Blich Street
Sydney NSW 2000
T: +61 2 9377 0755
www.spirecapital.com.au

Advisor Queries

Dale Holmes, Director
M: 0401 146 106
dale.holmes@spirecapital.com.au

Chris Niall
Senior Manager of Investor Relations
M: 0419 011 628
chris.niall@spirecapital.com.au

Market Commentary

In August, the Copper Rock Global Small Cap Composite returned +1.05% (AUD) and outperformed the MSCI World Small Cap index which returned +0.62% (AUD).

During the month, the portfolio benefited overall from positive stock selection in the Information Technology, Consumer Discretionary, Financials, and Real Estate sectors with outperformance on a regional level from stock selection in Continental Europe, the Emerging Markets, North America (primarily the US), and the UK. Within the Information Technology sector, the portfolio's position in Stamps.com, Inc., US based provider of online postage and shipping software solutions, was a leading contributor in August after management announced strong 2nd quarter earnings results. Besides strong sales and earnings growth, the company achieved record level of paid customers and average revenue per paid customer.

The portfolio has been neutral weighted in Energy while collectively modestly overweight relative to the index in Industrials and Materials. It has maintained a steady underweight relative to the index in Consumer Staples as valuations have been trending higher for the level of the growth Copper Rock looks for in their companies. Within Energy, the fund has owned positions in E&P and related (e.g. oil pumping) companies like Parkland Fuel Corp., Callon Petroleum Company, Parex Resources, Inc., and RPC, Inc. which provides oil completion services in the Permian basin. Parex Resources, Inc. in Canada and Callon Petroleum Company and RPC, Inc. in the US experienced some short term price decline in their stock in August. Specifically for Parex Resources, Inc., the stock price was hurt in August following the release of its 2nd quarter results which beat consensus on record production growth, higher than expected cash flow, and guidance. However, the market focused on some other factors around the stock that are not crucial to the investment thesis and weighed on the stock. With an attractive valuation and long term growth prospects, Copper Rock continues to hold on to this high quality opportunity. The price of Parex Resources, Inc. and RPC, Inc. have recovered through September.

Within Industrials sector, the stock price of Apogee Enterprises, Inc. declined in August following the company's announcement of lower FY18 guidance on a weaker outlook from a recent acquisition and increased competition in the mid-market glass. The Fund has owned this stock as the company continues to benefit from the energy efficiency trend toward insulated glass which is still approximately only 50% penetrated. With a recovery in commercial construction which still remains below prior peak and consistent margin expansion and productivity improvement, there remains a good backdrop for this stock and it has recovered from its price decline in August.

At the end of August, the portfolio has an overweight position relative to the index in the Healthcare, Materials, Industrials, and Information Technology sectors. It is neutral in Energy while it has an underweight allocation relative to the index in the Real Estate, Consumer Staples, Utilities, Financials, Telecommunication Services, and Consumer Discretionary sectors. Regionally, the portfolio is overweight relative to the index in Japan, Emerging Markets, and Continental Europe. The portfolio has an underweight allocation to the index in Pacific ex-Japan, North America, and the UK.

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

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