

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - December 2018



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 \$6.4 billion (USD) in assets under management as at 31 December 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 December 2018

APIR Code ETL0410AU

Exit Price 0.8764

Fund Size \$79.53 Million

Inception Date 1 July 2014

Companies in Portfolio 87

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
2018	-0.55	-0.30	1.34	1.72	1.76	0.10	0.79	5.49	-1.60	-7.74	-2.93	-6.67
2017	-3.78	1.68	2.46	4.11	0.12	2.12	-1.98	1.03	4.45	4.96	1.29	-2.36
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

Performance (%)

Performance %	1 mth	3 mths	6 mths	1 year	4 years	Inception on pa>
Total (net)	-6.79	-16.72	-13.20	-10.29	3.27	5.49
Benchmark*	-5.83	-15.36	-11.80	-3.88	8.87	10.24
Active Return#	-0.96	-1.36	-1.40	-6.41	-5.60	-4.75
Distribution	0.00	0.00	0.00	6.41	8.58	7.58

*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
KOBE BUSSAN CO., LTD.	1.76	JAPAN
SELECTIVE INSURANCE GROUP, INC.	1.64	USA
AXFOOD AB	1.62	SWEDEN
HILL-ROM HOLDINGS, INC.	1.62	USA
TIS INC.	1.60	JAPAN
ITOCHU TECHNO-SOLUTIONS CORPORATION	1.59	JAPAN
ACI WORLDWIDE, INC.	1.57	USA
INTEGRATED DEVICE TECHNOLOGY, INC.	1.56	USA
ICF INTERNATIONAL, INC.	1.53	USA
CASTELLUM AB	1.52	SWEDEN
TOTAL:	15.98%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	10.4	8.6
P/E (Forward 1 Year)	14.5	14.3
LT EPS Growth	26.1	13.1
ROE	15.1	10.1
ROA	6.3	4.4
Operating Margin	15.6	14.7
Yield (%)	1.5	2.3
Price to Book	1.8	1.6
Weighted Average Market-Cap (US\$bil)	2.9	2.9
Number of Holdings	87	4,380
Active Share	96%	

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

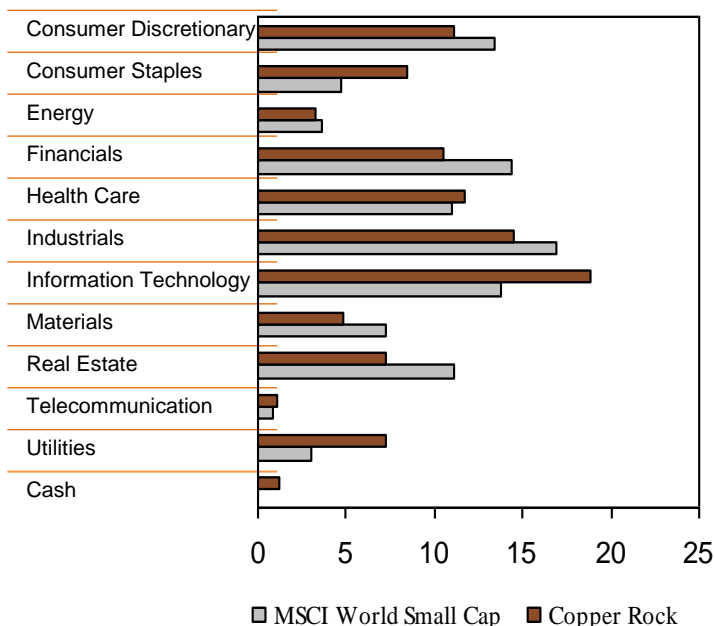
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Sector Exposure (%)*



Market Commentary

The Copper Rock Global Small Cap Composite returned -6.61% (AUD). The MSCI World Small Cap index returned -5.83% (AUD). The big negative swing in the markets was further stoked by fears that China, the U.S., and the rest of the world was slowing along with prolonged uncertainty over the U.S.-China trade negotiations. For the entire fourth quarter, exposure to quality which is common haven in market downturns, did not provide protection in the fourth quarter as the market treated all but the worst quality stocks equally. This was driven by the severe market sell off that essentially priced a recession in one month, severely hurting the most growth like sectors, including Consumer Discretionary.

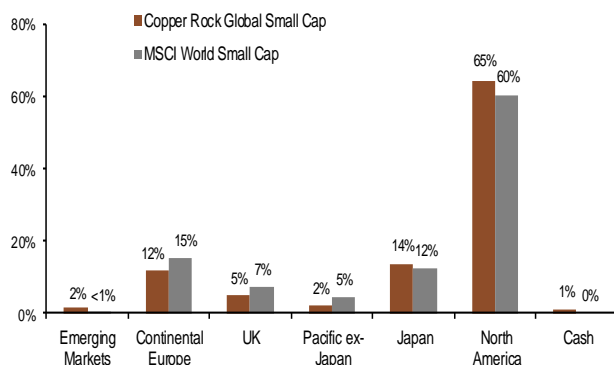
In December, the overweight allocation relative to the index combined with good stock selection in the Information Technology sector contributed the most to relative return. There was also positive stock selection in the Energy, Financials, and Materials sectors. Regionally, stock selection in Japan as well as an overweight allocation to the Emerging Markets was additive.

Evertec, Inc. engages in the provision of transaction services in the following segments: Payment Services-Puerto Rico and Caribbean, Payment Services-Latin America, Merchant Acquiring, and Business Solutions. Evertec, Inc.'s stock price continued to rise following its favorable quarterly earnings results in November. Evertec, Inc. reported beat-and-raise results primarily due to a faster recovery from hurricane disruptions. Puerto Rico's fiscal situation is much improved and the Commonwealth is expected to receive \$82B in relief funding from the U.S. government over the next 15 years, much of which will be spent in the next 5. This dynamic sets up well for several years of above average transaction growth. As such, Copper Rock continues to own the stock.

On the downside, the majority of the underperformance stemmed from individual stock selection in the Industrials and Consumer Discretionary sectors. Consumer Discretionary, in particular, sold off on concerns about lower growth and fears that of an impending recession. Copper Rocks position in At Home Group, Inc., which operates home decoration superstores in the U.S., was the leading detractor in the period. Although the company announced solid quarterly earnings results driven by good gross margins and comp-store sales, management's soft outlook caused the stock to decline.

At the end of December, the portfolio continues to have an overweight position allocated to opportunities with structural growth in Information Technology - with an emphasis on software and services, Utilities, Consumer Staples, Healthcare, and Telecommunication Services. The portfolio has an underweight allocation relative to the index in the Financials, Real Estate, Materials, Industrials, Consumer Discretionary, and Energy sectors. Regionally, the portfolio has approximately 2% exposure to the Emerging Markets, while the portfolio maintains the overweight in North America and Japan. The portfolio remains underweight in Continental Europe, the U.K., and Pacific ex-Japan.

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.

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