

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - February 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 \$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 28 February 2017

APIR Code ETL0410AU

Exit Price 0.9863

Inception Date 1 July 2014

Companies in Portfolio 91

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										
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	2 years	Inception pa>
Total (net)	1.57	1.59	4.68	9.28	1.59	9.27
Benchmark*	0.86	2.89	6.70	18.35	7.56	13.24
Active Return#	0.71	-1.30	-2.02	-9.07	-5.97	-3.97
Distribution				11.78	11.31	8.36

*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
NUTRISYSTEM, INC.	2.2	USA
WEBSTER FINANCIAL CORPORATION	1.8	USA
COLUMBIA BANKING SYSTEM, INC.	1.8	USA
HILL-ROM HOLDINGS, INC.	1.7	USA
ESSENT GROUP, LTD.	1.7	USA
MEREDITH CORPORATION	1.7	USA
HASEKO CORPORATION	1.6	JAPAN
INSPERITY, INC.	1.6	USA
NEXITY	1.6	FRANCE
PLANET FITNESS, INC.	1.5	US
TOTAL:	17.2%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	10.6	10.0
P/E (Forward 1 Year)	15.7	18.5
LT EPS Growth	13.0	12.6
ROE	14.2	9.6
ROA	5.7	4.2
Operating Margin	16.1	17.1
Yield (%)	2.4	2.5
Price to Book	2.5	1.9
Weighted Average Market-Cap (US\$bil)	2.8	3.0
Number of Holdings	91	4,284
Active Share	96%	

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

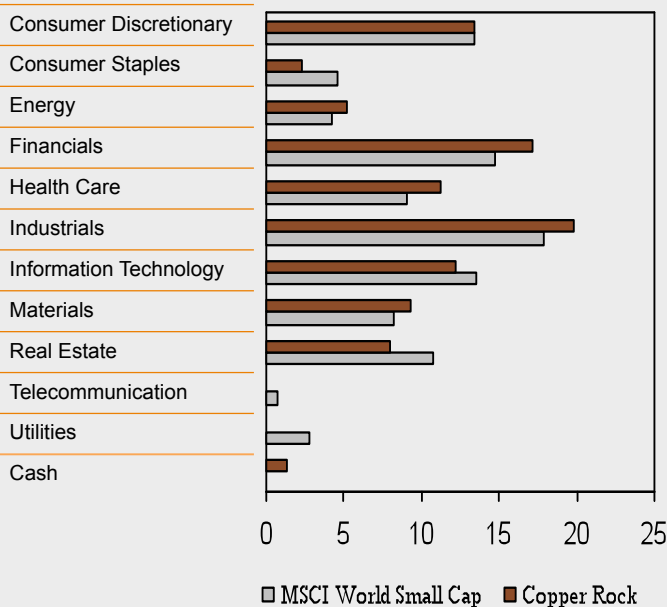
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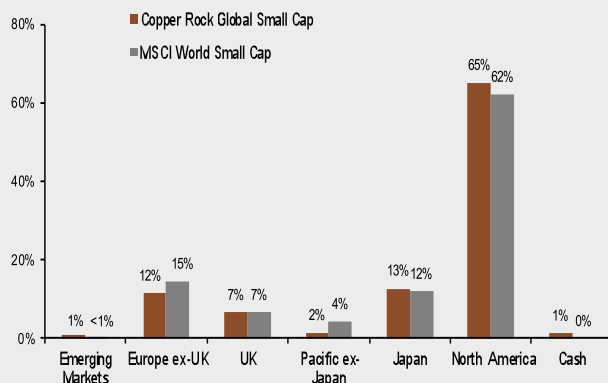
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Sector Exposure (%)*



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.

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Market Commentary

In February, the Copper Rock Global Small Cap Composite returned +1.63% (AUD) and outperformed the MSCI World Small Cap index which returned +0.86% (AUD).

In the month of February, there was positive stock selection in the Consumer Discretionary, Financials, Energy, Materials, and Real Estate sectors. Stock selection broadly across all regions, led by North America, contributed to relative return. The leading individual contributors to performance in February was Nutrisystem, Inc., the weight loss plan and meal provider based in the US. Management reported better than expected quarterly earnings results and increased guidance primarily from core business momentum. The company experienced strong new customer growth and continue to gain consumer interest in its recently acquired South Beach Diet program which will launch later in 2017. We continue to own the stock in the portfolio.

On the downside, Callon Petroleum Company, a US based firm which engages in the exploration, development, and production of oil and natural gas properties, was a leading detractor for the month. The stock price fell after the company missed quarterly earnings results primarily driven by weaker production volume and higher lease operating expenses (LOE). Despite the disappointing quarterly results, management provided positive 2017 guidance for production and capital expenditure. Copper Rock continues to own the position in the portfolio.

At the end of February, the portfolio has an overweight position relative to the index in the Financials, Healthcare, Industrials, Materials, and Energy sectors. It has more significant underweight positions relative to the index in the Real Estate, Utilities, Consumer Staples, and Information Technology sectors, while the Telecommunication Services sector is modestly underweight versus the benchmark. Regionally, the portfolio is overweight relative to the index in North America and Japan while maintaining an allocation of about 1% to Emerging Markets. The portfolio maintains an overweight allocation to the index in Continental Europe, Pacific ex-Japan, and the UK.

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

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