

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - July 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 \$4.7 billion (USD) in assets under management as at December 31, 2015.

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 July 2016

APIR Code	ETL0410AU
Exit Price	0.9193
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
2016	-3.99	-1.90	-0.37	0.98	8.09	-5.85	2.49					
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)	2.37	3.92	2.19	-9.14	11.84	9.52
Benchmark*	3.39	5.31	9.20	-0.99	15.20	12.93
Active Return#	-1.02	-1.39	-7.01	-8.15	-3.36	-3.41
Distribution				11.78	11.31	10.81

*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	1.6	USA
TELEFLEX, INC.	1.6	USA
U-BLOX HOLDING AG	1.6	SWITZERLAND
EL PASO ELECTRIC COMPANY	1.5	USA
NUTRISYSTEM, INC.	1.5	USA
NEXITY	1.5	FRANCE
GERRESHEIMER AG	1.5	GERMANY
INSPERITY, INC.	1.5	USA
BOLIDEN AB	1.5	SWEEDEN
CHALLENGER LIMITED	1.4	AUSTRALIA
TOTAL:	15.2%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	11.7	9.3
P/E (Forward 1 Year)	18.4	17.7
LT EPS Growth	14.4	12.6
ROE	15.9	9.0
ROA	6.3	4.0
Operating Margin	15.6	16.3
Yield (%)	2.2	2.7
Price to Book	2.7	1.8
Weighted Average Market-Cap (US\$bil)	2.4	2.8
Number of Holdings	93	4,322

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

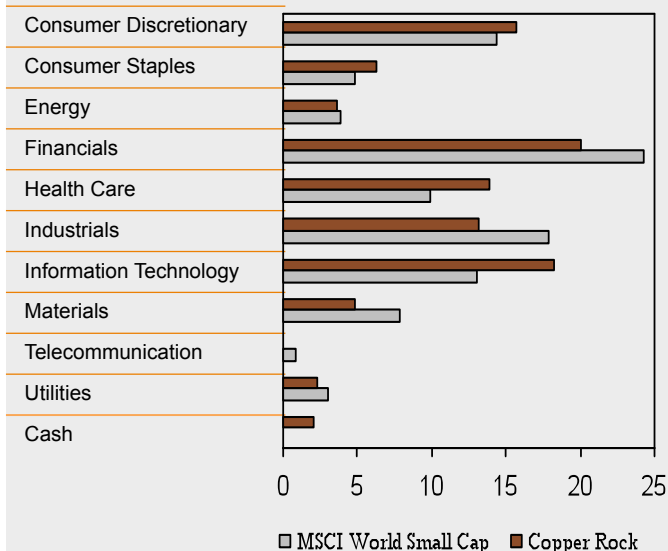
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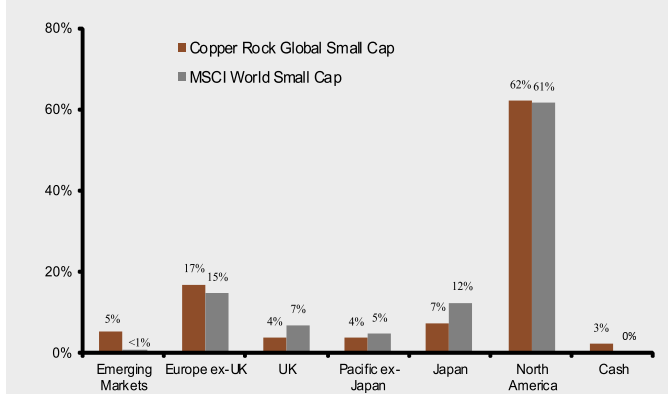
Monthly Fact Sheet - JULY 2016



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

The Copper Rock Global Small Cap composite returned +2.50% (AUD) in July but underperformed the respective index, the MSCI World Small Cap index which was up +3.39% (AUD). During the month, the fund started to see some slight indications of more normal market behavior as quality and fundamentals tended to come back in favor. However, Copper Rock also noted that the earnings momentum for the higher quality stocks (rank 1 and 2) to which the fund consistently has heavy exposure in the strategy was negative and detracted from the efficacy of the overall quantitative model which is employed as an input into the investment process. As a result, some of the higher quality stocks which Copper Rock owned tended to not get rewarded as much or even sold off from their previous higher levels. Within the index, Energy, which had been rising steadily since the start of the year, declined -2.8% while the Materials sectors continued its rise and returned +9.7%, exhibiting the best sector performance return. With the exception of Energy, all other sectors in the index had positive returns. Within the portfolio, the selection of Materials stocks generated a return +9.1% but the underweight position relative to the index detracted from overall relative return.

Within the portfolio, Consumer Discretionary sector demonstrated the most positive contribution to relative return on a stock selection basis. There was some rotation in the month as previously outperforming stocks like Gurunavi, Inc., the Japanese information technology company and Insperity, Inc. the US human resources services company within the Industrials sector that had each been a top contributor in the prior quarter, underperformed in July. There was some differentiation in stock selection across regions. Individual stock selection in Continental Europe contributed positively to relative return. Copper Rocks position in the Swedish Materials sector company, Boliden AB, which engages in the mining and smelting production of metals, primarily Zinc, performed well as the stock was up almost 15% in the month. Other strong performers on the continent were Gerresheimer AG and Orpea SA within the Healthcare sector and Klovern AB within the Financials sector. There was modest underperformance from the UK due to stock selection and the underweight allocation relative to the index as Copper Rock repositioned the portfolio following the Brexit vote and the market's immediate recovery. The funds positions in Indivior plc and Cineworld Group plc performed well while holdings like Wizz Air Holdings Plc and Unite Group plc felt some negative overhang from the Brexit vote. The Fund had been invested in each throughout the month though Copper Rock had been monitoring an exit point for Wizz Air which has significant exposure to the UK consumer. Fearing downgrades in revenues and earnings, Copper Rock has since exited the stock. Unite Group plc provides housing to university students throughout the UK. Copper Rock believes the stock for this company has been unfairly punished by the vote and that a cheaper pound will continue to make it attractive for students to come and study in the UK which should benefit the stock longer term.

Glimpses of a more normal market have appeared but continue to be swiftly erased by the many macro and political factors that can surface. Copper Rock has not suspended process to reach these moves and style head winds and remains committed with the investment process that has been in place for more than fourteen years and has weathered these types of market movements.

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