

# Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

## Monthly Fact Sheet - March 2015



### 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 \$3.1 billion (USD) in funds under management as at December 31, 2014.

### 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 – Investment Grade

### Fund Summary as at 31 March 2015

APIR Code	ETL0410AU
Exit Price	1.2274
Fund Size (AUD)	0.1 million
Inception Date	1 July 2014
Companies in Portfolio	90
Total Management Fee	1.38%
Indirect Cost Ratio (ICR)	1.48%
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
2015	3.20	6.50	4.51									
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 yr	Inception pa>
Total (gross)	4.51	14.93	30.00	n/a	29.54
Total (net)	4.38	14.52	29.05	n/a	28.12
Benchmark*	2.72	12.00	23.12	n/a	23.72
Active Return#	1.66	2.52	5.93	n/a	4.40

\*Benchmark – MSCI World Small Cap \$A  
> Inception Date: 1 July 2014 # Based on gross 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
BE SEMICONDUCTOR INDUSTRIES N.V.	2.2	Netherlands
SPIRIT AIRLINES, INC.	2.0	USA
DIALOG SEMICONDUCTOR PLC	1.8	Germany
JONES LANG LASALLE, INC.	1.8	USA
INTEGRATED DEVICE TECHNOLOGY, INC.	1.6	USA
THE GREENBRIER COMPANIES, INC.	1.6	USA
MINERALS TECHNOLOGIES, INC.	1.5	USA
WEST PHARMACEUTICAL SERVICES, INC.	1.6	USA
Leonteq AG	1.5	Switzerland
SOUTH STATE CORP.	1.5	USA
<b>TOTAL:</b>	<b>17.1%</b>	

### Portfolio Characteristics\*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	12.1	9.9
P/E (Forward 1 Year)	17.1	18.6
LT EPS Growth	19.0	12.9
ROE	16.6	10.7
ROA	8.5	4.8
Operating Margin	17.7	14.4
Yield (%)	1.5	1.7
Price to Book	2.7	2.0
Weighted Average Market-Cap (US\$bil)	2.7	3.0
Number of Holdings	90	4,290

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

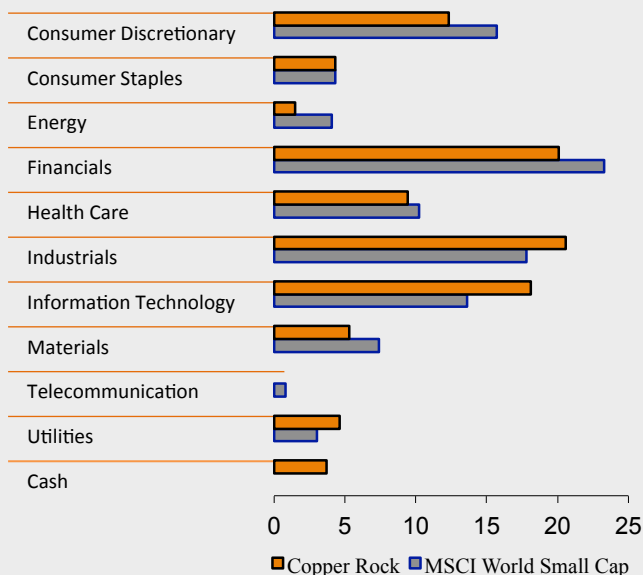
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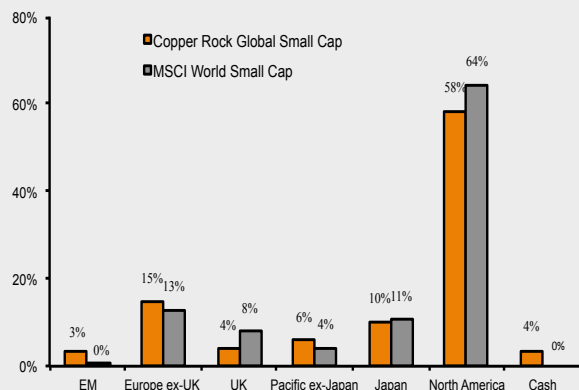
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## Sector Exposure (%)\*



## 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 Bligh Street  
Sydney NSW 2000  
T: +61 2 9377 0755  
[www.spirecapital.com.au](http://www.spirecapital.com.au)

### Advisor Queries

Dale Holmes, Director  
M: 0401 146 106  
[dale.holmes@spirecapital.com.au](mailto:dale.holmes@spirecapital.com.au)

## Market Commentary

The Fund had a positive return of 4.51% (AUD) and outperformed the MSCI World Small Cap index which was up 2.72% (AUD). During the month, there was positive individual stock selection within the Information Technology, Healthcare, Financials, Materials, Industrials, Energy, Consumer Discretionary, and Utilities sectors. There was some underperformance within the Consumer Staples sector. Regionally, stock selection was positive in North America, Continental Europe, Pacific ex-Japan, and Japan. Individual stock selection in the UK and Emerging Markets regions was down in the month, however these regions overall contributed to relative return.

The five leading contributors to return in the month included BE Semiconductor Industries N.V. (Information Technology/Netherlands), Leonteq AG (Financials/Switzerland), Concordia Healthcare Corp. (Healthcare/Canada), Gurunavi, Inc. (Information Technology/Japan), and Centene Corp. (Healthcare/US). BE Semiconductor Industries N.V. produces integrated semiconductor assembly equipment. BE Semiconductor is continuing to benefit from iPhone and Android technology penetration and exhibited strong 4th quarter results and guidance. Leonteq AG provides risk products and services primarily for high net worth clients. The stock outperformed in the month after management reported positive full year 2014 results driven by earnings growth and high demand.

The five leading detractors from relative return included Bakkafrost P/F (Consumer Staples/Norway), Britvic plc (Consumer Staples/UK), Altus Group, Ltd. (Financials/Canada), Wirecard AG (Information Technology/Germany), and HEXPOL AB (Materials/Sweden). Bakkafrost P/F farms salmon in the Faroe Islands and is based in Norway. The stock was a significant contributor in 2014, but the stock fell on some downgrades in the market after concerns of lower salmon pricing and news that China might restrict salmon imports. We believe the underperformance is temporary and in fact the stock has recovered. We continue to own the position since Bakkafrost remains attractive. Bakkafrost is the number one market share salmon farmer in the Faroe Islands and is the global leader in the definition of industry best practices in the full value chain of salmon farming. Altus Group, Ltd. provides real estate advisory services in Canada. Despite reporting positive quarterly results in February, the stock was down in March due to concerns of the slowing real estate environment in Canada in response to the economic slowdown as oil and commodity prices have fallen dramatically. We continue to own in the portfolio for the stock's strong fundamentals.

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

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