

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - November 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
Lonsac – Recommended

Fund Summary as at 30 November 2018

APIR Code ETL0410AU

Exit Price 0.9402

Fund Size \$85.00 Million

Inception Date 1 July 2014

Companies in Portfolio 88

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	
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 pa>
Total (net)	-3.04	-12.20	-6.90	-6.15	6.29	7.29
Benchmark*	-2.29	-11.41	-4.35	0.60	11.85	11.96
Active Return#	-0.75	-0.79	-2.55	-6.75	-5.56	-4.67
Distribution	0.00	0.00	6.41	6.41	8.58	7.73

*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
INGEVITY CORPORATION	1.76	USA
OMNICELL, INC.	1.68	USA
TIS INC.	1.68	JAPAN
GENERAC HOLDINGS INC.	1.68	USA
KOBE BUSSAN CO., LTD.	1.63	JAPAN
NOMAD FOODS LTD.	1.62	UK
SELECTIVE INSURANCE GROUP, INC.	1.61	USA
HILL-ROM HOLDINGS, INC.	1.59	USA
EURONET WORLDWIDE, INC.	1.55	USA
DARLING INGREDIENTS INC.	1.49	USA
TOTAL:	16.29%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	11.6	9.6
P/E (Forward 1 Year)	15.7	15.9
LT EPS Growth	16.8	13.8
ROE	15.8	10.4
ROA	6.4	4.5
Operating Margin	15.2	17.4
Yield (%)	2.2	2.9
Price to Book	2.1	1.8
Weighted Average Market-Cap (US\$bil)	3.1	3.3
Number of Holdings	88	4,321
Active Share	96%	

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

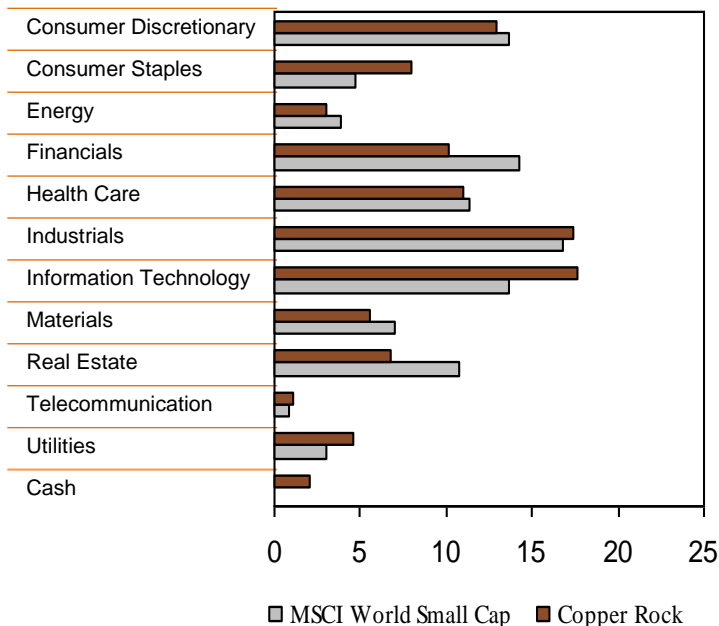
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Sector Exposure (%)*



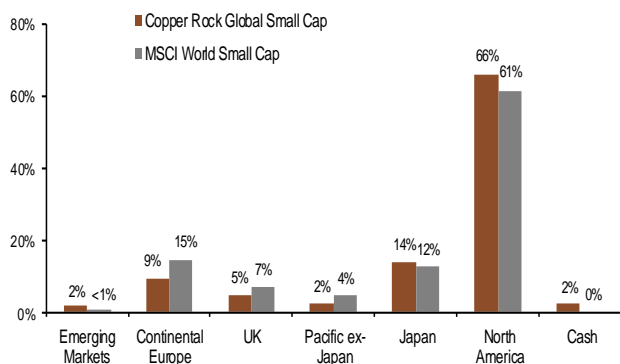
Market Commentary

The Copper Rock Global Small Cap Composite returned -2.64% (AUD) and modestly underperformed the MSCI World Small Cap index which returned -2.29% (AUD). Although returns were positive, November remained a difficult month against a backdrop of market volatility and a disappointing earnings season. Crude oil prices legged lower and experienced their worst month since October 2008, negatively impacting the Energy sector. However, there were positive notes in the month as Copper Rock saw follow through in performance from stock selection in the Consumer Staples and Discretionary sectors. Evolution Mining, Ltd., which had declined in the prior quarter, was a contributor in October and November leading the Materials sector to benefit from strong individual stock selection. Copper Rock were pleased to see Kobe Bussan Co., Ltd., a relatively recent addition to the portfolio in mid-2018, be a strong contributor to relative return November.

A long term holding in the portfolio, Callaway Golf Co., reported strong earnings in late October and raised guidance for the year; positive estimate revisions followed. Copper Rock trimmed its position by ~30 bps just before the earnings report as valuation had moved to the high end of the historical range and the stock had become more crowded. Not unlike other stocks that had worked well throughout the year, Callaway Golf Co. sold off despite the solid results and raised guidance. Other than fear of tougher comps and some expected modest deceleration in industry sales, there were no fundamental issues with the company. Copper Rock believes the market was questioning how sustainable the strong growth was after 6 beat-and-raise quarters in a row.

At the end of November, the portfolio continues to have an overweight position allocated to opportunities with structural growth in Information Technology - with an emphasis on software and services, Consumer Staples, Utilities, Industrials, and Telecommunication Services. The portfolio has an underweight allocation relative to the index in the Financials, Real Estate, Materials, Energy, Consumer Discretionary sectors and is about equal weighted in Healthcare. Regionally, the portfolio has approximately 2% exposure to the Emerging Markets, while the portfolio maintains the overweight it has built in North America, driven by allocation to the U.S. It remains overweight in Japan but has trimmed that overweight throughout the year. The portfolio remains underweight in Continental Europe, the U.K., and Pacific ex-Japan. While Copper Rock are not short on U.K. stock ideas, the stocks they continue to own tend to be more domestically focused and insulated from a preliminary Brexit decision.

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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