

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND



Monthly Fact Sheet - August 2020

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 August 2020

| | |
|---------------------------|-----------------------------------|
| APIR Code | ETL0410AU |
| Exit Price | \$0.9303 |
| Fund Size | \$35.14 Million |
| Inception Date | 1 July 2014 |
| Companies in Portfolio | 56 |
| 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 | Chief Investment Officer |
| H. David Shea, CFA | Sr. Portfolio Manager |
| David Dineen, CFA | Sr. 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 |
|------|-------|-------|--------|------|-------|-------|------|-------|-------|-------|-------|-------|
| 2020 | 0.88 | -6.55 | -17.60 | 3.86 | 6.10 | -0.57 | 3.00 | 1.38 | | | | |
| 2019 | 5.52 | 6.78 | -0.15 | 3.60 | -5.19 | 5.45 | 2.84 | -1.86 | 0.46 | 1.58 | 5.38 | -0.47 |
| 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 |

Performance (%)

| Performance % | 1 mth | 3 mths | 6 mths | 1 year | 5 years | Inception pa> |
|----------------|-------|--------|--------|--------|---------|---------------|
| Total (net) | 1.25 | 3.45 | -6.41 | -6.26 | 1.44 | 5.46 |
| Benchmark* | 2.53 | 1.22 | -5.26 | -1.90 | 7.07 | 9.96 |
| Active Return# | -1.28 | 2.23 | -1.15 | -4.36 | -5.63 | -4.50 |
| Distribution | 0.00 | 0.87 | 0.87 | 0.87 | 5.23 | 5.96 |

*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. Past performance is not an indicator of future performance.

Top 10 Common Stock Holdings**

| Companies | % of Portfolio | Country |
|------------------------------------|----------------|---------|
| Generac Holdings, Inc. | 2.99 | US |
| Perficient, Inc. | 2.24 | US |
| Unipol Gruppo S.p.A. | 2.21 | Italy |
| Arcosa, Inc. | 2.18 | US |
| Azimut Holding Spa | 2.15 | Italy |
| Varta AG | 2.10 | Germany |
| AutoNation, Inc. | 2.08 | US |
| Hannon Armstrong Sustainable, Inc. | 2.06 | US |
| LHC Group, Inc. | 2.05 | US |
| Flagstar Bancorp, Inc. | 2.04 | US |
| TOTAL: | 22.10% | |

Portfolio Characteristics*

| Characteristics | Fund | MSCI World Small Cap Index (USD) |
|---------------------------------------|------|----------------------------------|
| Price / Cash Flow | 13.5 | 8.2 |
| P/E (Forward 1 Year) | 17.9 | 19.6 |
| LT EPS Growth | 13.0 | 13.5 |
| ROE | 8.9 | 7.9 |
| ROA | 5.2 | 3.2 |
| Operating Margin | 14.0 | 16.4 |
| Yield (%) | 2.3 | 3.3 |
| Price to Book | 2.1 | 1.6 |
| Weighted Average Market-Cap (US\$bil) | 4.4 | 3.6 |
| Number of Holdings | 56 | 4,226 |
| Active Share | 97% | |

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

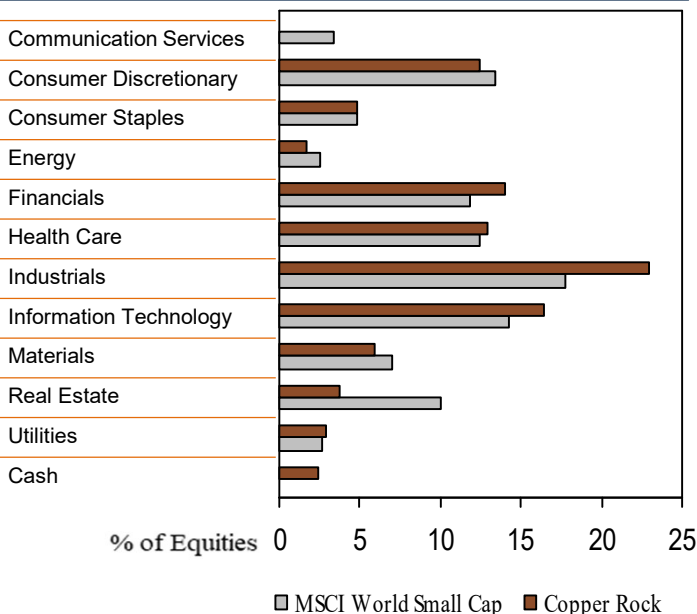
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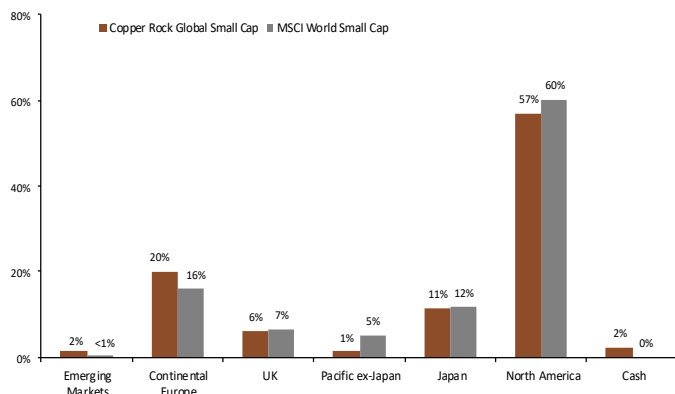
Sector Exposure (%)*



Market Commentary

The Copper Rock Global Small Cap Composite returned +1.46% (AUD) in the month of August versus the MSCI World Small Cap index which returned +2.54% (AUD). Quality growth tended to be less in favor in the month as more cyclical sectors tended to be rewarded. Within the portfolio, positive return was driven by selection in the cyclical oriented sectors like Industrials, Energy, Materials and Real Estate. Within the portfolio, Varta AG (Industrials/Germany, +56 bps), was a leading contributor. In addition, the underweight allocation versus the index in Real Estate was additive to relative return. On a regional level throughout August, there was positive selection in Continental Europe and the Emerging Markets. The narrow underperformance in the strong positive month was owed to some short-term underperformance from stock selection in the Communication Services, Consumer Discretionary, and Information Technology sectors. The position in Cogent Communications accounted for a sizable, nearly 50% of the underperformance in the month. We exited the stock after two consecutive earnings misses. On the other hand, laggards in the month like Inphi Corp. and Chegg, Inc. remain beneficiaries of the work from home and learn from home theme. Those stocks took a breather in the month after performing strongly in the prior quarter. Copper Rock remain invested in those stocks that took a pause in the month.

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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