

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND



Monthly Fact Sheet - February 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
Lonecon – Recommended

Fund Summary as at 29 February 2020

APIR Code	ETL0410AU
Exit Price	\$1.0028
Fund Size	\$72.50 Million
Inception Date	1 July 2014
Companies in Portfolio	70
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										
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)	-6.66	-6.52	0.16	3.76	3.87	7.21
Benchmark*	-5.69	-4.09	3.55	7.93	9.52	11.96
Active Return#	-0.97	-2.43	-3.39	-4.17	-5.65	-4.75
Distribution	0.00	0.00	0.00	2.00	7.23	6.35

*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
TIS Inc.	2.21	Japan
Generac Holdings Inc.	2.03	US
BE Semiconductor Industries N.V.	1.72	Netherlands
Arcosa Inc.	1.67	US
Gray Television, Inc.	1.65	US
IBIDEN CO., LTD.	1.64	Japan
Quanta Services, Inc.	1.63	US
Grocery Outlet Holding Corp.	1.60	US
Ryman Hospitality Properties, Inc.	1.58	US
Repligen Corporation	1.57	US
TOTAL:	17.30%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	8.1	8.4
P/E (Forward 1 Year)	14.7	15.3
LT EPS Growth	17.2	12.3
ROE	12.0	9.6
ROA	5.8	4.2
Operating Margin	16.7	17.4
Yield (%)	2.5	3.2
Price to Book	1.8	1.6
Weighted Average Market-Cap (US\$bil)	3.4	3.2
Number of Holdings	70	4,295
Active Share	96%	

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

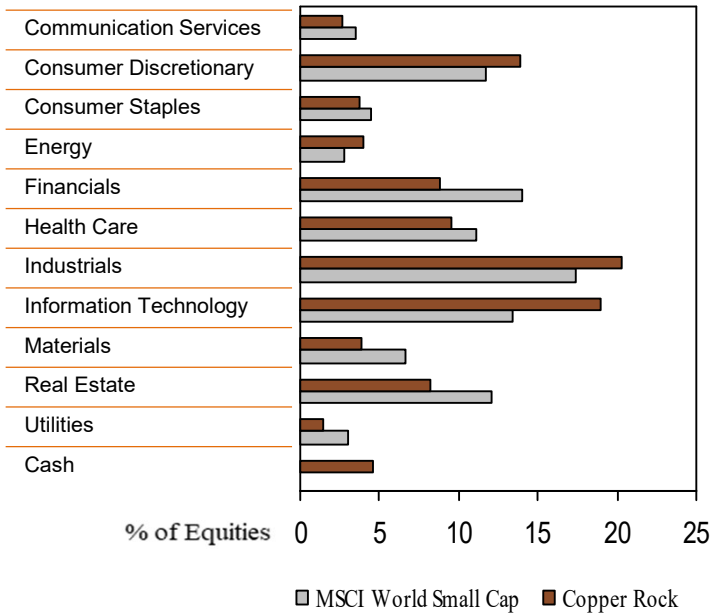
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Sector Exposure (%)*

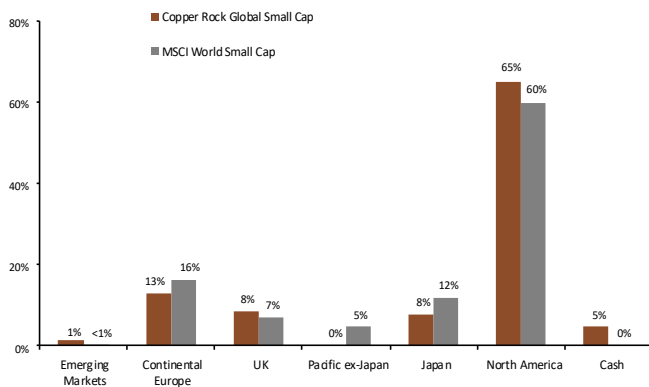


Market Commentary

The Copper Rock Global Small Composite posted a return of -5.39% (AUD) vs. -5.69% (AUD) for the MSCI World Small Cap index in the month of February. Markets fell sharply negative in February as the fears over the spread of Coronavirus expanded, threatening prospects for global growth and forecasting a possible recession. Stock selection in the Materials, Energy, Consumer Staples, Utilities, and Industrials sectors contributed to relative return. There was also positive contribution from stock selection in Japan.

A top contributor in the month was HealthEquity, Inc. which provides range of solutions for managing healthcare accounts which includes HAS, FSA, HRA, DCRA, 401(k), Commuter, COBRA and HIA. In February, the company reported good revenues and increased FY20 guidance which caused the stock price to rise. Crocs, Inc. is a US based designer of casual footwear and apparel. In February, the stock took a pause as the company reduced Asian sales expectations due to the Coronavirus outbreak. Despite this, the company recently reported strong quarterly sales and better than expected EPS. Copper Rock continued to own the stock but have been monitoring the position in light of ongoing pressures from the now global pandemic.

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.

Although Copper Rock continue to believe there will be recovery in second half of 2020, the company is more cautious given the recent effect Coronavirus has had on the markets and fears over a pending recession. Although recession risks are rising, decisive action by the Federal Reserve to cut interest rates to near zero and restart quantitative easing should provide support as markets grapple with the economic shock from Corona virus quarantining. Copper Rock expect to see more coordinated action from other global central banks to reduce interest rates and governments to announce fiscal stimulus to bolster economic activity.

Meanwhile, the collapse in energy prices should provide stimulus to global consumers. Growth is expected to be modest, as it was entering into this market correction. As was the case in the first half of 2019, the market is likely to focus on companies that can meet and beat earnings expectations in a slower growth environment, have clean balance sheets, cash flow and dividends.

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