

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - January 2017



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 \$4.9 billion (USD) in assets under management as at June 30, 2016.

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 January 2017

APIR Code ETL0410AU

Exit Price 0.9711

Inception Date 1 July 2014

Companies in Portfolio 91

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
2017	-3.78											
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
2015	3.20	6.55	4.51	-3.95	4.87	-1.63	5.34	-2.70	-1.92	2.18	-2.09	-2.29

Performance (%)

Performance %	1 mth	3 mths	6 mths	1 year	2 years	Inception pa>
Total (net)	-3.90	8.73	3.17	5.43	4.00	8.90
Benchmark*	-2.40	9.49	7.17	17.04	10.08	13.28
Active Return#	-1.50	-0.76	-4.00	-11.61	-6.08	-4.38
Distribution				11.78	11.31	8.62

*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
COLUMBIA BANKING SYSTEM, INC.	1.8	USA
WEBSTER FINANCIAL CORPORATION	1.8	USA
ESSENT GROUP, LTD.	1.7	USA
MEREDITH CORPORATION	1.7	USA
NUTRISYSTEM, INC.	1.6	USA
APOGEE ENTERPRISES, INC.	1.6	USA
WS ATKINS PLC	1.6	UK
PLANET FITNESS, INC.	1.5	USA
ASPEN INSURANCE HOLDINGS, LTD.	1.5	USA
CHALLENGER LIMITED	1.5	AUSTRALIA
TOTAL:	16.3%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	11.1	9.7
P/E (Forward 1 Year)	16.7	18.4
LT EPS Growth	14.0	12.9
ROE	13.2	9.2
ROA	5.8	3.9
Operating Margin	14.9	16.5
Yield (%)	2.4	2.5
Price to Book	2.5	1.9
Weighted Average Market-Cap (US\$bil)	2.7	2.9
Number of Holdings	91	4,295
Active Share	96%	

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

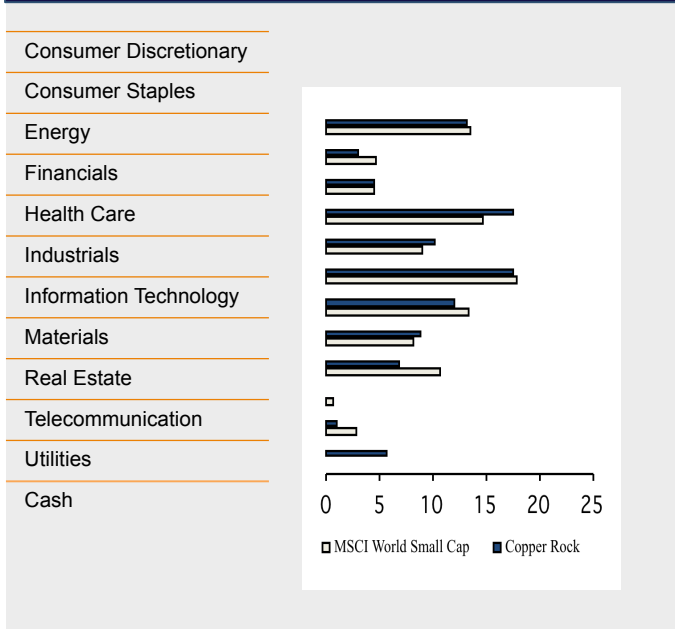
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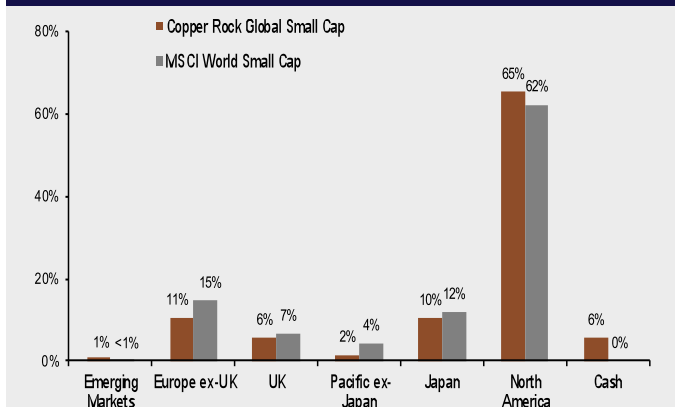
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Sector Exposure (%)*



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.

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Market Commentary

The Copper Rock Global Small Cap Composite returned -3.78% (AUD) in January. The MSCI World Small Cap index returned -2.40% (AUD). In January, the slightest of green shoots appeared as stocks with good earnings momentum, attractive valuations and quality were modestly rewarded. But, some of the positive effects that were visible in the US portion of the global universe in the 4th quarter retreated, leading to a short period of relative underperformance in the portfolio.

In the month of January, positive contribution to relative return from stock selection was broad across the portfolio. There was good stock selection in the Healthcare, Consumer Discretionary, Real Estate, and Consumer Staples sectors. The portfolio's overweight allocation relative to the index in the Healthcare sector was also additive. Regionally, there was positive stock selection in the UK and Japan. The top contributor in January was VCA, Inc., an animal healthcare company based in the US. The stock outperformed following the announcement that VCA, Inc. agreed to be acquired by Mars, Inc., a veterinary hospital chain. The acquisition should be accretive as combining two top veterinary chains will increase market share and synergies. Copper Rock continues to own the position in the portfolio.

On the downside, the US demonstrated the worst performance from stock selection as securities with characteristics our investment process invests were left behind in the month. For example, a top performer in the 4th quarter, AK Steel Holding Corp., a steel production company, declined in the month. While the company announced good 4th quarter earnings results, the stock took a pause due to the company setting carbon steel annual contracts at lower than expected prices. Copper Rock believes the underperformance is short term as the company is reaping the results of key strategic efforts such as reduced capacity and focused cost cutting. Additionally, U.S. anti-dumping tariffs implemented last year are supportive of pricing already held up by a tightening industry supply situation. Copper Rock continues to own the stock.

At the end of January, the portfolio has an overweight position relative to the index in the Financials, Healthcare, and Materials sectors. It has more significant underweight positions relative to the index in the Real Estate, Utilities, Consumer Staples, and Information Technology sectors, while the Telecommunication Services and Industrials sectors are modestly underweight versus the benchmark. Regionally, the portfolio is overweight relative to the index in North America and maintains an allocation of about 1.09% to Emerging Markets. The portfolio maintains an underweight allocation to the index in Continental Europe, Pacific ex-Japan, Japan, and the UK.

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