

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - July 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
Lonsec – Recommended

Fund Summary as at 30 July 2018

APIR Code ETL0410AU

Exit Price 1.0163

Fund Size \$89.9 Million

Inception Date 1 July 2014

Companies in Portfolio 96

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					
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 on pa>
Total (net)	0.66	2.28	4.73	13.25	11.15	9.98
Benchmark*	0.61	5.29	9.62	22.53	16.19	14.99
Active Return#	0.05	-3.01	-4.89	-9.28	-5.04	-5.01
Distribution	0.00	6.41		6.41	8.58	8.39

*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
RYMAN HOSPITALITY PROPERTIES, INC.	1.81	USA
EVERCORE, INC.	1.51	USA
INGEVITY CORPORATION	1.51	USA
TIS, INC.	1.47	JAPAN
PAREX RESOURCES, INC.	1.44	CANADA
CHARLES RIVER LABORATORIES INT.	1.37	USA
COLUMBIA BANKING SYSTEM, INC.	1.36	USA
AVANOS MEDICAL, INC.	1.31	USA
GENERAC HOLDINGS, INC.	1.28	USA
BOISE CASCADE COMPANY	1.26	USA
TOTAL:	14.32%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	12.6	10.4
P/E (Forward 1 Year)	16.6	17.4
LT EPS Growth	15.1	13.3
ROE	16.2	10.4
ROA	6.3	4.5
Operating Margin	15.8	17.2
Yield (%)	1.8	2.6
Price to Book	2.3	1.9
Weighted Average Market-Cap (US\$bil)	3.2	3.4
Number of Holdings	96	4,377
Active Share	96%	

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

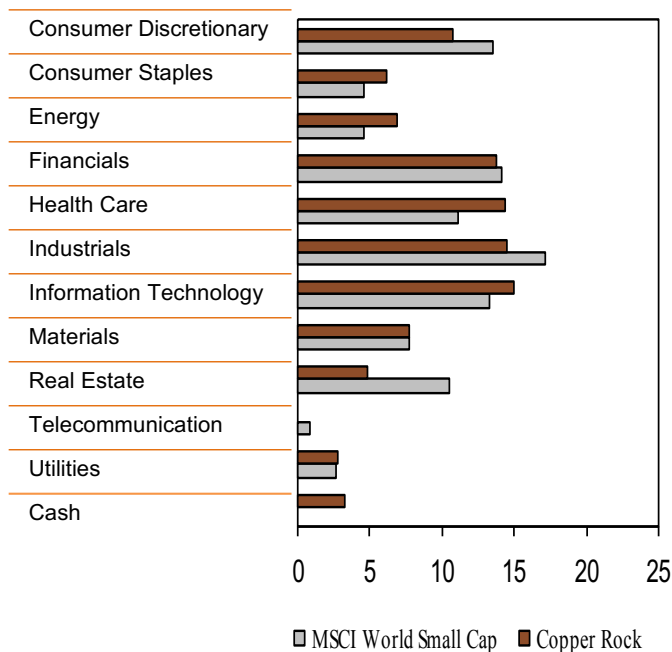
Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - July 2018



Sector Exposure (%)*



Market Commentary

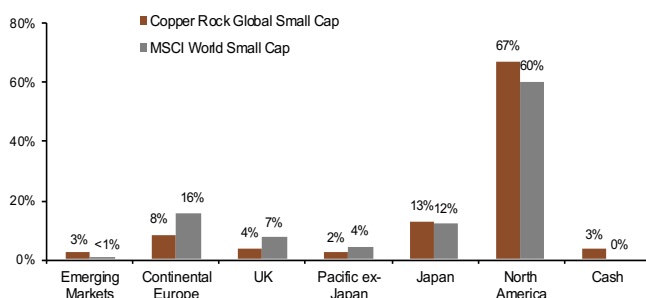
In the month of July, the Copper Rock Global Small Cap Composite returned +1.38% and outperformed the MSCI World Small Cap index which returned +1.23%. Return spreads within the index ranged from ~+3.2% (highest return) for the Industrials sector to ~-1.6% (lowest return) for the Consumer Staples sector.

Cyclicals came back in vogue in July thus yielding the portfolio's positive returns in the Industrials and Utilities sectors. In the portfolio, there was also positive stock selection in the Consumer Staples and Energy sectors. On a regional basis, positive stock selection in North America (primarily the US), the UK, and Japan contributed to relative return while individual stock selection in Continental Europe, Emerging Markets, and Pacific ex-Japan lagged. A top contributor in the month was Comfort Systems USA, Inc., a US based company which provides mechanical installation, renovation, maintenance, and repair services. Management reported strong 2nd quarter results from better than expected revenue growth and gross margins. The company also noted strong cash flow and an increased dividend.

There was some underperformance from a subset of stocks in the Materials, Consumer Discretionary, and Information Technology sectors. Sentiment drove the negative performance within the portfolio in the technology sector that surrounded the fallout from the FANG stocks phenomena as investors sold off tech stocks in late July following disappointing earnings reports from Facebook and Netflix. Copper Rock continues to believe they are well positioned in the later stage software segment of IT that should perform in a more muted, but still growing economic environment. Within the Materials sector, the funds position in Evolution Mining, Ltd., which is a gold exploration company in Australia, was a leading detractor in July. While the company reported inline quarterly results, the softer outlook based primarily from assumed lower grades and copper price caused the stock price to fall. Secondly, La Mancha Group, a large shareholder, sold down its holding which pressured the stock price. As a result, we believe the underperformance is short term and the stock's fundamentals remain intact. We continue to own the position.

As the month of July came to a close, there was some speculation towards the market turning to favor value. Copper Rock believes the market's return to favor early stage, heavy cyclicals was more in reaction to the broad sell off in FANG stocks and short term panic rather than a change in fundamentals. Copper Rock has positioned the portfolio to take advantage of the slower growth environment and in pockets where that growth can be exploited both at a sector level and regionally. In an environment of rising rates and possible global tariff action, the portfolio of high quality, well managed small cap companies that dominate their home and adjacent markets and that are not leveraged for growth – burdened by capital market debt – should perform regardless of market direction or style.

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

Advisor Queries

Dale Holmes, Director
M: 0401 146 106
dale.holmes@spirecapital.com.au

Chris Niall
Senior Manager of Investor Relations
M: 0419 011 628
chris.niall@spirecapital.com.au

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

This document is issued by Spire and relates to Spire Copper Rock Capital Global Smaller Companies Fund ("Fund") (APIR Code ETL 0410AU) for which Spire is the Distributor. The Responsible Entity is Equity Trustees Limited ("EQT") (ABN 46 004 031 298) (AFSL 240975). The Investment Manager for the Fund is Copper Rock Capital Partners, LLC ("Copper Rock"). Copper Rock is exempt (ASIC class order exemption 03/1100) from the requirement to hold an Australian Financial Services Licence (AFSL) under the Corporations Act in respect of the financial services it provides to wholesale clients only in Australia. Copper Rock is regulated by the SEC under US laws which differ from Australian laws. Spire Capital Pty Ltd ("Spire") (ABN 21 141 096 120) (AFSL 344365) is licensed to provide general financial product advice in Australia to wholesale clients. Any information provided in this document by Copper Rock is to be considered as general information only and not as financial product advice. This material is for information purposes only. It is not an offer or a recommendation to purchase or sell any security and is not intended to substitute for the Fund's Product Disclosure Statement ("PDS") which outlines the risks involved and other relevant information. Please note that past investment performance is not a reliable indicator of future investment performance. This information has not been prepared taking into account your objectives, financial situation or needs. This document may contain information provided directly by third parties. To the maximum extent permitted by law, Spire excludes liability for material provided by third parties. This document is strictly confidential and is intended solely for the use of the person to whom it has been delivered. It may not be reproduced, distributed or published in whole or part, without the prior approval of Spire.