

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND



Monthly Fact Sheet - July 2019

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 31 July 2019

APIR Code ETL0410AU

Exit Price \$1.0215

Fund Size \$81.67 Million

Inception Date 1 July 2014

Companies in Portfolio 84

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
2019	5.52	6.78	-0.15	3.60	-5.19	5.45	2.84					
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
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

Performance (%)

Performance %	1 mth	3 mths	6 mths	1 year	5 years	Inception pa>
Total (net)	2.71	2.43	12.74	2.45	9.36	8.46
Benchmark*	2.42	1.70	12.16	4.73	13.80	12.90
Active Return#	0.29	0.73	0.58	-2.28	-4.44	-4.44
Distribution	0.00	2.00	2.00	2.00	7.23	7.10

*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
Kobe Bussan Co., Ltd.	1.65	JAPAN
Generac Holdings Inc.	1.65	USA
SkyWest, Inc	1.61	USA
Ingevity Corporation	1.61	USA
TIS Inc.	1.61	JAPAN
Dream Global Real Estate Investment Trust	1.53	CANADA
Nomad Foods Ltd.	1.50	UK
Selective Insurance Group, Inc.	1.50	USA
Repligen Corporation	1.47	USA
Itochu Techno-Solutions Corporation	1.46	JAPAN
TOTAL:	15.59%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	10.0	9.1
P/E (Forward 1 Year)	17.1	16.6
LT EPS Growth	11.0	12.4
ROE	17.7	10.3
ROA	7.4	4.6
Operating Margin	18.4	17.6
Yield (%)	2.3	3.0
Price to Book	2.2	1.7
Weighted Average Market-Cap (US\$bil)	3.5	3.4
Number of Holdings	84	4,361
Active Share	96%	

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

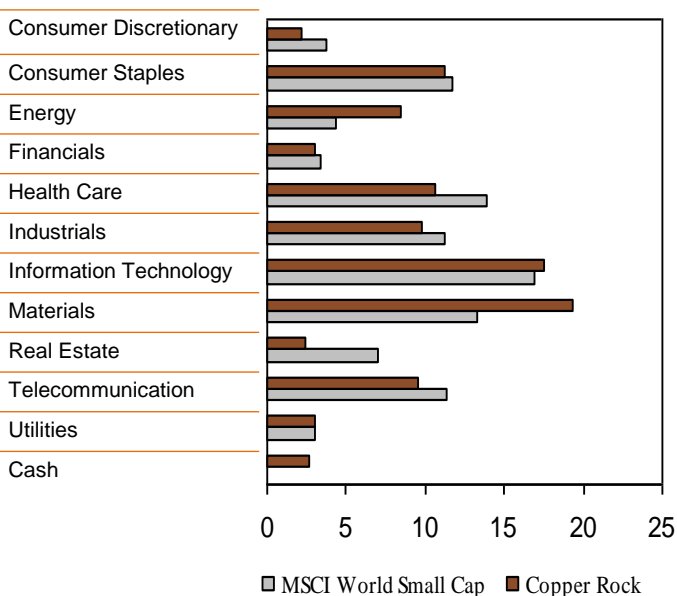
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Sector Exposure (%)*



Market Commentary

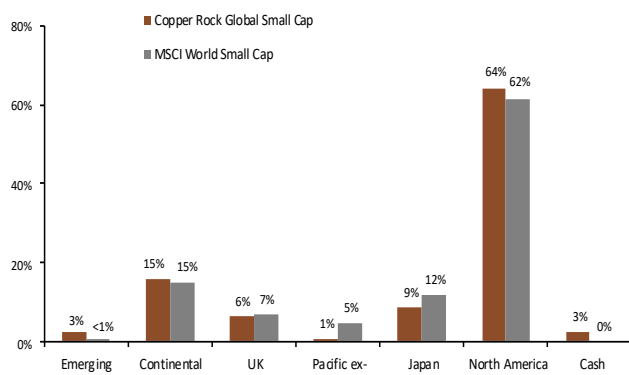
The Copper Rock Global Small Cap Composite returned +2.83% (AUD) and outperformed the MSCI World Small Cap index which returned +2.42% (AUD) in July. There was positive stock selection in 7 out of the 11 sectors, led by Consumer Staples and Energy. Regionally, stock selection in Continental Europe, the U.K., and Pacific ex-Japan were additive.

The top individual contributors to relative return were Genomic Health, Inc. (Healthcare/U.S.), Kobe Bussan Co., Ltd. (Consumer Staples/Japan), and ICF International, Inc. (Industrials/U.S.). Genomic Health, Inc. provides genomic based diagnostic treatment tests based in the U.S. The company reported strong 2nd quarter revenue growth (primarily from U.S. early stage prostate cancer and invasive breast cancer segments) and record profit. The combination of the favorable results, rising private coverage for Genomic's urology tests, and a public reimbursement recommendation in Germany led management to raise full year 2019 review and net income guidance.

Merit Medical Systems, Inc. manufactures proprietary disposable medical devices primarily through the cardiovascular and endoscopy segments and is based in the U.S. The stock price fell ~25% after the company reported results that missed second quarter estimates. Although organic growth remained strong at approximately 9.6%, recently acquired high gross margin products contributed less than expected. The company left full year revenue guidance relatively unchanged, but incorporated a smaller improvement in gross margins for the full year (+30-100 bps) leading to a reduction in consensus EPS estimates. Management indicated that they have started to see traction with the aforementioned new products after the quarter closed, and in the meantime are focused on reducing costs across the P&L. Copper Rock continue to hold the stock.

Copper Rock continue to be positioned with a portfolio of companies suited to outperform in a later cycle economic environment with strong global growth. These companies exhibit durable earnings with clean balance sheets and attractive valuations that should be rewarded. Copper Rock is positioned accordingly for this later cycle economic environment.

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 30, Suite 4
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
T: +61 2 9047 8800
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")

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