

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND



Monthly Fact Sheet - June 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
Lonsec – Recommended

Fund Summary as at 30 June 2019

APIR Code ETL0410AU

Exit Price \$0.9945

Fund Size \$80.8 Million

Inception Date 1 July 2014

Companies in Portfolio 85

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						
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	4 Years	Inception pa>
Total (net)	5.33	3.19	15.67	0.41	3.86	8.03
Benchmark*	4.53	3.39	16.65	2.89	9.72	12.59
Active Return#	0.80	-0.20	-0.98	-2.48	-5.86	-4.56
Distribution	2.00	2.00	2.00	2.00	6.35	7.23

*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
SkyWest, Inc	1.64	USA
Ingevity Corporation	1.63	USA
Generac Holdings Inc.	1.61	USA
TIS Inc.	1.56	JAPAN
Merit Medical Systems, Inc.	1.55	USA
Quanta Services, Inc.	1.53	USA
Ryman Hospitality Properties, Inc.	1.50	USA
Selective Insurance Group, Inc.	1.49	USA
Dream Global Real Estate Investment Trust	1.49	CANADA
Paltac Corporation	1.48	JAPAN
TOTAL:	15.48%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	10.8	9.0
P/E (Forward 1 Year)	16.4	16.2
LT EPS Growth	11.1	12.7
ROE	18.4	10.3
ROA	7.4	4.6
Operating Margin	17.3	14.8
Yield (%)	1.7	2.1
Price to Book	2.1	1.7
Weighted Average Market-Cap (US\$bil)	3.4	3.3
Number of Holdings	85	4,373
Active Share	96%	

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

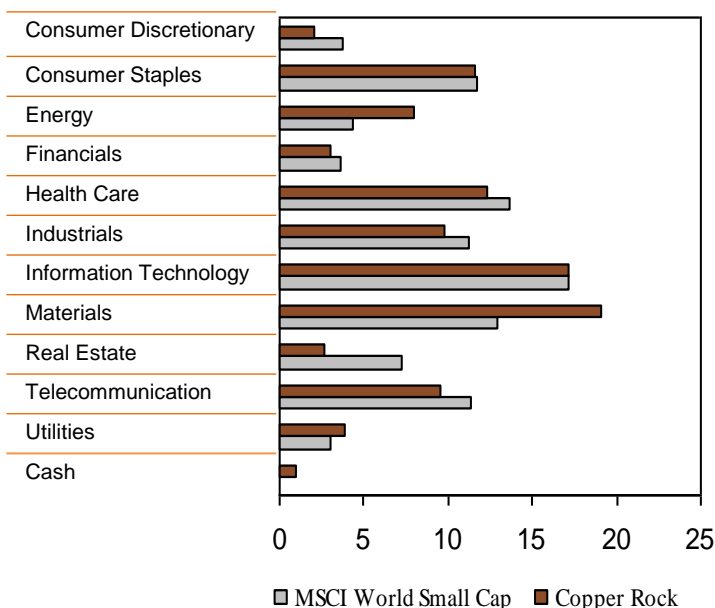
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Sector Exposure (%)*

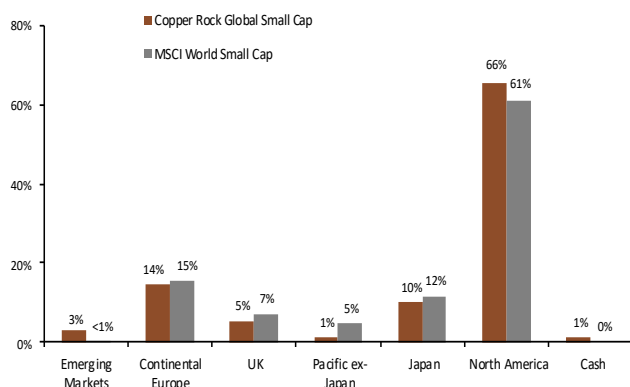


Market Commentary

In June, the markets rebounded from May's negative returns. The Copper Rock Global Small Cap Composite returned +5.40% (AUD) and outperformed the MSCI World Small Cap index which returned +4.53% (AUD). There was positive stock selection in 8 out of the 11 sectors, led by Industrials and Consumer Discretionary. Regionally, stock selection in the U.S., the Emerging Markets, and Pacific ex-Japan were additive.

The top individual contributors to relative return were Boot Barn Holdings, Inc. (Consumer Discretionary/US), Generac Holdings, Inc. (Industrials/US), and Lumentum Holdings, Inc. (Information Technology/US). Generac Holdings, Inc. is a U.S. based company that engages in the design and manufacture of power generation equipment and other power products. While the company reported strong first quarter results and increased guidance for year, the power situation in California is responsible for much of the rally in the stock in the period. PG&E, one of the largest utilities in the country, announced planned power outages in CA due to risk of wildfires. This development has the market extremely bullish on the opportunity to sell backup generators in a state with low market penetration. Copper Rock continue to own the stock.

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.

Copper Rock position in Gray Television, Inc., US based a media company that owns roughly 100 television stations, detracted in June. The company is in the midst of integrating a major acquisition, Raycom, which doubles the company's size. The stock has come under pressure due to the debt that the company has taken on to make this acquisition. Management has stated that the company's main use of its hefty free cash flow will be debt pay down. The company has also disappointed some investors with the pace of cost synergies related to Raycom. Instead of having these savings front end loaded, the company is spreading the savings across the current year. Copper Rock feels the earnings power of the enlarged group is currently underestimated by investors. In addition, Copper Rock is entering an election cycle in the U.S. which will likely break all prior spending records and should clearly benefit Gray Television, Inc. Copper Rock continue to own the stock.

Copper Rock continue to be positioned with a portfolio of companies that are less impacted by changes in global growth, have durable earnings with clean balance sheets and attractive valuations that should be rewarded. Copper Rock is positioned accordingly for this later cycle economic environment.

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