

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - May 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 May 2019

APIR Code ETL0410AU

Exit Price \$0.9625

Fund Size \$81.1 Million

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 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							
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)	-5.31	-2.29	2.37	-4.69	2.07	7.04
Benchmark*	-5.00	-1.49	5.09	0.52	8.16	11.81
Active Return#	-0.31	-0.80	-2.72	-5.21	-6.09	-4.77
Distribution	0.00	0.00	0.00	6.41	8.58	6.92

*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.	1.70	JAPAN
SkyWest, Inc	1.64	USA
Sushiro Global Holdings Ltd.	1.59	JAPAN
TIS Inc.	1.57	JAPAN
CareTrust REIT Inc	1.54	USA
Ryman Hospitality Properties, Inc.	1.53	USA
Generac Holdings Inc.	1.50	USA
Nomad Foods Ltd.	1.47	UK
KBR, Inc.	1.47	USA
Dream Global Real Estate Investment Trust	1.47	CANADA
TOTAL:	15.48%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	10.0	8.6
P/E (Forward 1 Year)	15.1	15.3
LT EPS Growth	11.4	12.3
ROE	17.9	10.3
ROA	7.4	4.6
Operating Margin	18.0	17.6
Yield (%)	2.6	3.1
Price to Book	2.0	1.7
Weighted Average Market-Cap (US\$bil)	3.2	3.1
Number of Holdings	91	4,384
Active Share	96%	

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

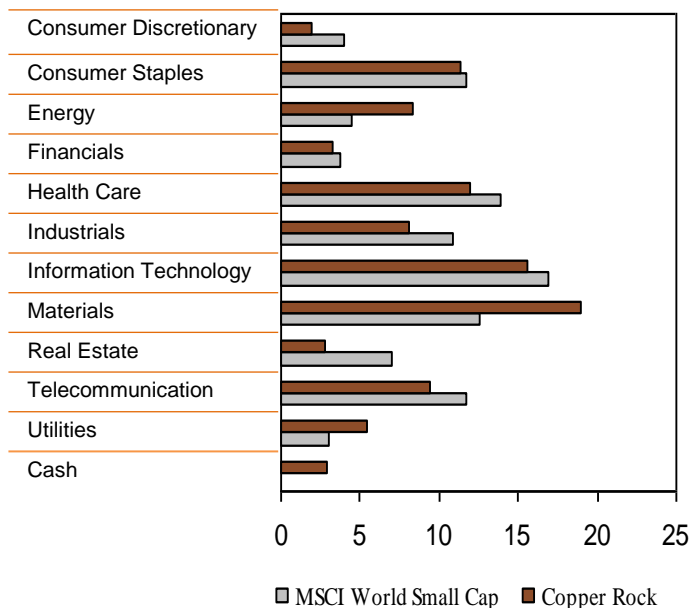
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Sector Exposure (%)*



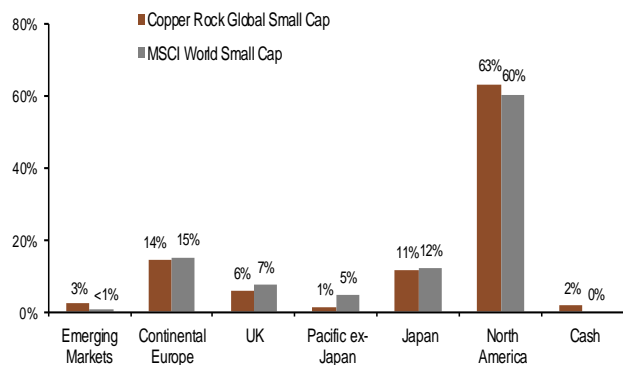
Market Commentary

In May, the Copper Rock Global Small Cap Composite returned -5.03% (AUD) and was just shy of the MSCI World Small Cap index which returned -5.00% (AUD). There was positive stock selection in 5 out of the 11 sectors, led by Consumer Staples and Energy. Regionally, stock selection in Japan and the Pacific ex-Japan were additive. The top individual contributors to relative return were Kobe Bussan Co, Ltd. (Consumer Staples/Japan), Evolution Mining, Ltd. (Materials/Australia), and TIS, Inc. (Information Technology/Japan). Kobe Bussan, Ltd., a Japanese supermarket, outperformed after announcing favorable preliminary first half 2019 results which included increased same store shipments and operating profits.

Uncertainty over trade and tariff negotiations between the US and China and the US and Mexico negatively impacted markets. G-III Apparel Group, Ltd. was impacted from the overarching negative sentiment but also reported weaker than expected guidance. Copper Rock exited the position as fundamentals were broken. Lumentum Holdings, Inc. manufactures optical and photonic products enabling optical networking. The company announced the discontinuation of all sales and shipments to Huawei per the US Department of Commerce imposed license requirements. While the guidance was reduced as a result, the stock remains attractive for its fundamentals and Copper Rock continue to own the position.

Regardless of the uncertainty of trade and tariff discussions, 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.

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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