

Spire Copper Rock Capital Global Smaller Companies Fund

A SPIRE GLOBAL INVESTMENT SERIES FUND

Monthly Fact Sheet - October 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 31 October 2018

APIR Code	ETL0410AU
Exit Price	0.9697
Fund Size	\$87.87 Million
Inception Date	1 July 2014
Companies in Portfolio	89
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	5.49	-1.60	-7.74		
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 pa>
Total (net)	-7.86	-4.59	-2.41	-2.07	8.33	8.20
Benchmark*	-8.01	-4.72	0.32	6.30	13.47	12.80
Active Return#	0.15	0.13	-2.73	-8.37	-5.14	-4.60
Distribution	0.00	0.00	6.41	6.41	8.58	7.88

*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
INGEVITY CORPORATION	1.59	USA
TIS, INC.	1.59	JAPAN
EURONET WORLDWIDE, INC.	1.55	USA
SELECTIVE INSURANCE GROUP, INC.	1.53	USA
ICF INTERNATIONAL, INC.	1.52	USA
OMNICELL, INC.	1.50	USA
NOMAD FOODS LTD.	1.50	UK
AXFOOD AB	1.48	SWEDEN
DRAX GROUP PLC	1.46	UK
GENERAC HOLDINGS INC.	1.46	USA
TOTAL:	15.18%	

Portfolio Characteristics*

Characteristics	Fund	MSCI World Small Cap Index (USD)
Price / Cash Flow	11.6	9.5
P/E (Forward 1 Year)	15.6	15.9
LT EPS Growth	18.5	14.1
ROE	15.3	10.4
ROA	6.1	4.5
Operating Margin	15.7	17.3
Yield (%)	2.2	2.9
Price to Book	2.1	1.8
Weighted Average Market-Cap (US\$bil)	3.0	3.2
Number of Holdings	89	4,335
Active Share	96%	

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

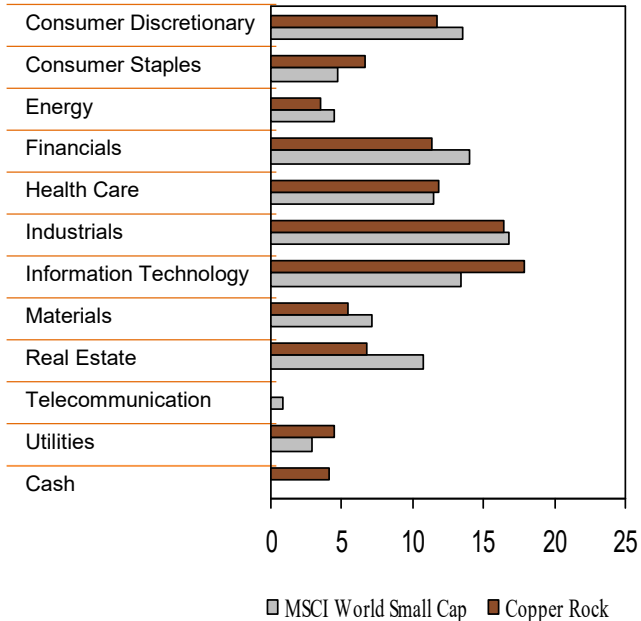
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Sector Exposure (%)*

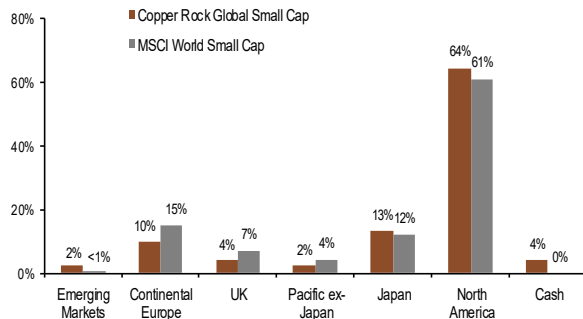


Market Commentary

In the month of October, the Copper Rock Global Small Cap Composite returned -7.62% (AUD) and modestly outperformed the MSCI World Small Cap index which returned -8.01% (AUD). All sectors declined in October with the broad market sell off. Sectors like Healthcare, Information Technology, Industrials, and Materials each declined ~12% in the index. However, Copper Rock's stock selection in the Information Technology, Industrials, and Materials sectors was better than that of those sectors in the index. The top contributor for the month was Euronet Worldwide, Inc. which engages in the provision of electronic payment and transaction processing solutions for financial institutions, retailers, service providers, and individual consumers. The company reported strong quarterly earnings results with revenue growth led from its Money Transfer segment.

On the downside, the combination of the underweight relative to the index in Consumer Discretionary, which declined in the month, and selection, led this sector to exhibit the greatest negative contribution to relative return, followed by stock selection in Real Estate and Healthcare. Regionally, our allocation of ~2% to the Emerging Markets coupled with stock selection detracted from relative return. Emerging markets small cap stocks were severely punished in the market sell off due to continued pressure from the trade wars, tariffs, and the U.S. dollar. Two of the top five detractors in the month were Korean companies: Dentium Co., Ltd. and Cafe24 Corp.

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.

At the end of October, the portfolio continues to have an overweight position allocated to opportunities with structural growth in Information Technology - with an emphasis on software and services, Consumer Staples, Utilities, and Healthcare. The portfolio has an underweight allocation relative to the index in the Real Estate, Financials, Consumer Discretionary, Materials, Energy, and Telecommunication Services sectors. Regionally, the portfolio has approximately 2.2% exposure to the Emerging Markets, while the portfolio is overweight relative to the index in North America and Japan. The portfolio remains underweight in Continental Europe, the U.K., and Pacific ex-Japan. While Copper Rock are not short on U.K. stock ideas, the stocks Copper Rock own tend to be insulated from Brexit volatility and domestically focused.

Contact

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