

## Performance as at 30 April 2025

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. <sup>1</sup>
Fund <sup>2</sup>	0.8%	-3.8%	10.1%	9.4%	12.1%	11.3%
Benchmark <sup>3</sup>	-1.9%	-8.7%	7.5%	8.3%	11.3%	8.0%
Difference	2.7%	4.9%	2.6%	1.0%	0.8%	3.3%

<sup>1</sup>Inception date is 01 March 2019. Past performance is not a reliable indicator of future performance. All p.a. returns are annualised.

<sup>2</sup>Spheria Global Opportunities Fund. Returns of the Fund are net of applicable fees, costs, and taxes.

<sup>3</sup>Benchmark is the MSCI World Small Cap Index (net in AUD) for all periods. Please note that the Benchmark from inception to 30 June 2021 was the MSCI Kokusai Microcap Index (net in AUD) and from 1 July 2021 to 30 September 2022 was the MSCI World Microcap Index (net in AUD).

Please note the strategy of the Fund changed effective 1 October 2022. The Spheria Global Opportunities Fund was previously known as the Spheria Global Microcap Fund which targeted global listed microcap companies (companies with a market capitalisation of US\$1 billion and below at time of purchase).

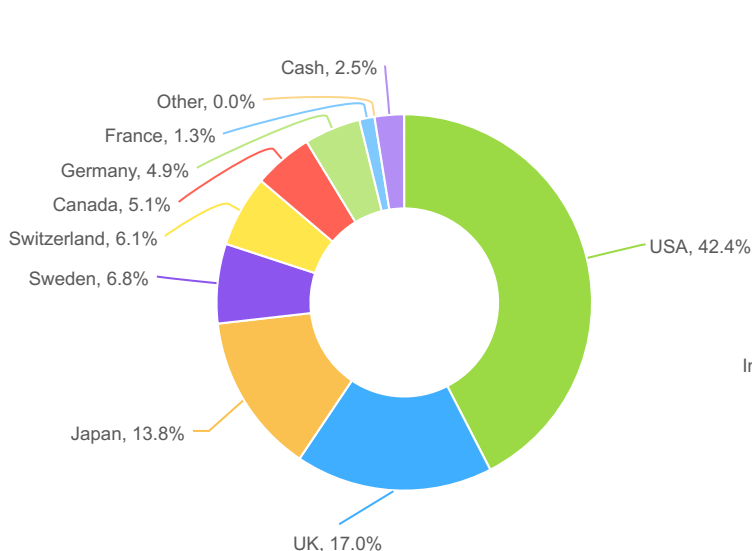
### Overall Commentary

During the month ended 30 April 2025, the Fund returned 0.8% (after fees), handsomely outperforming the MSCI World Small Cap Accumulation Index (Net Return) AUD by 2.7%.

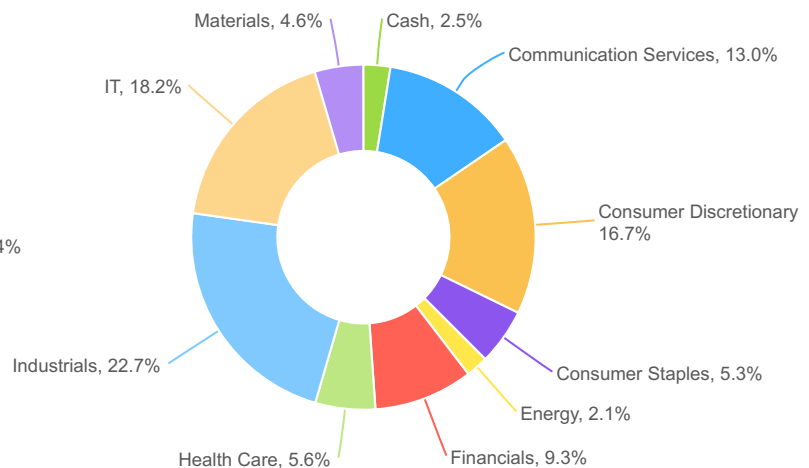
### Top 5 Holdings

Company Name	% Portfolio
Zuken Inc	4.7
Cargurus Inc	4.5
Intertek Group PLC	4.4
Accelleron Industries AG	4.1
Wise PLC	3.9
<b>Top 5</b>	<b>21.5</b>

### Regional Exposure



### Sector Exposure



## Markets

### Major Contributors to Performance

Over the month the largest contributors were an overweight position in Zuken (6947.TKS, +11%), an overweight position in Accelleron Industries (ACLN.SWX, +13%), and an overweight position in Fielmann Group (FIE.ETR, +22%).

Fielmann is a leading global eyewear retailer of fashionable glasses, sunglasses and contact lenses at affordable prices (often with a “best price guarantee”). The stock rallied during the month after Fielmann delivered a strong first quarter result, with +13% revenue growth (+5% organic) and strong cost discipline leading to an even more impressive +28% growth in earnings. In the current climate, where household budgets are feeling the pinch, Fielmann’s commitment to low prices is clearly resonating with consumers looking for stylish eyewear without breaking the bank. This value proposition, coupled with their impressive sales productivity per store – they simply move a lot of product efficiently – gives them a notable cost advantage in the market. Fielmann should also weather the US tariff storm relatively well given their strategic focus on in-country manufacturing for a large portion of their sales.

### Major Detractors from Performance

The largest detractors from performance included owning LKQ Corporation (LKQ.NAS, -13%), an overweight position in Core Laboratories (CLB.NYS, -22%), and an overweight position in CarGurus (CARG.NAS, -7%).

LKQ is a large supplier of auto parts to collision repairers in the US and mechanics in Europe. LKQ is the scale player in most of its markets – It is 10x the size of the #2 player in the key North American market and the #1 in 12 of its 20 European markets. Critically scale matters a lot in auto parts distribution as it translates into superior service (fill rates and cycle times) and buying power. The risk/reward equation for LKQ is highly favourable as it is trading on a low EBIT multiple of 11x with cyclically depressed earnings. As the rate of vehicle insurance premium inflation subsides and used car prices firm, vehicles owners will become more inclined to repair their vehicles. This will drive a return to consistent mid-single-digit revenue growth, higher earnings growth and ultimately strong returns for the Fund.

### Outlook & Strategy

Markets completed a volatile “round trip” during the month of April, with equities and bonds recovering their steep Liberation Day losses after the US administration largely stepped back from its more aggressive initial trade policy ambitions.

News-flow continues to be dominated by tariff talk and related macroeconomic prognostications, with economists frantically updating their GDP growth forecasts weekly! Whilst we claim no special insight when it comes to parsing the Trump administrations ultimate intentions, we did take some action during the month to capitalise on the volatility. We bought shares in two well-known footwear companies after both had corrected aggressively on the tariff news. Vietnam is a key global footwear manufacturing hub, producing over 1 billion pairs of shoes per annum (>10% of global footwear exports). Further, roughly 30% of Vietnam’s GDP derives from exports to the USA. In this context, reaching a trade agreement with the US administration, as seems to now be in train, was the most likely outcome in our view. With the share prices for the two companies that we bought largely discounting the worst, this represented an attractive risk/reward payoff to us and has subsequently been a profitable investment for the Fund so far.

Spheria’s approach can be distilled down to a desire to build a diversified portfolio of the best quality businesses at attractive valuations. An astute client recently posed the following question – ‘What defines quality?’ Our response was high returning, high free cash flow businesses with strong balance sheets and ample future reinvestment opportunities. The beauty of the Fund’s ~8000 stock investment universe is that such opportunities exist in number and at attractive valuations. As well as obviating the need to compromise on one’s standards (buying an average quality business because it’s priced like a poor-quality business, for example), this also invariably results in a reduction in portfolio turnover and frictional costs.

The soon to be retired CEO of Berkshire Hathaway Warren Buffet once remarked, “The stock market is a device for transferring money from the impatient to the patient”. Whilst the impatient trade manically around the latest utterances from politicians and then try to second guess the market’s reactions to those utterances, we simply buy good businesses at attractive valuations and then patiently let the power of compounding work its magic for our investors.

### Platform Availability List

The Spheria Global Opportunities Fund is available on the below platforms. Platforms provide investors with consolidated and centralised reporting (including administration, tax, and distribution) by bundling together a range of managed funds as one single product. If the fund is not available on your preferred platform, please contact us. Please check with your platform for minimum investment requirements and fees.

Asgard  
Macquarie Wrap

HUB24

Netwealth

Praemium

BT Panorama

<b>Spheria Global Opportunities Fund</b>	
Benchmark	MSCI World Small Cap Index
Investment Objective	Outperform the MSCI World Small Cap Index in AUD (Net) over the long term
Investing Universe	Global listed small cap and microcap companies with a market capitalisation equal to or lower than the market capitalisation of the largest issuer in the MSCI Global Small Cap Index at the time of purchase
Risk	High
Holdings	Generally 30-80 stocks
Distributions	Annually
Fees	1.10% p.a management fee & 20% performance fee of the Fund's excess return versus its benchmark, net of the management fee
Cash	Up to 20% cash
Expected Turnover	20% - 40%
Style	Long only
APIR	WHT6704AU
Minimum Initial Investment	\$25,000

## Fund Ratings



## Contact Us

For more information, please contact Pinnacle Investment Management Limited on 1300 010 311 or email [distribution@pinnacleinvestment.com](mailto:distribution@pinnacleinvestment.com)

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Link to the [Product Disclosure Statement](#)

Link to the [Target Market Determination](#)

For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email [service@pinnacleinvestment.com](mailto:service@pinnacleinvestment.com)

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