

Performance as at 31 May 2024

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. ¹
Fund ²	-3.7%	-0.7%	18.1%	12.0%	15.4%	13.5%
Benchmark ³	0.0%	1.5%	10.9%	-0.1%	4.2%	6.4%
Difference	-3.7%	-2.2%	7.2%	12.1%	11.3%	7.1%
Microcap Index ^a	0.6%	10.0%	12.2%	2.4%	11.1%	9.6%

¹ Inception date is 16 May 2016. Past performance is not a reliable indicator of future performance. All p.a. returns are annualised.

² Spheria Australian Microcap Fund. Returns of the Fund are net of applicable fees, costs, and taxes.

³ Benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

^a Microcap Index refers to S&P/ASX Emerging Companies Accumulation Index.

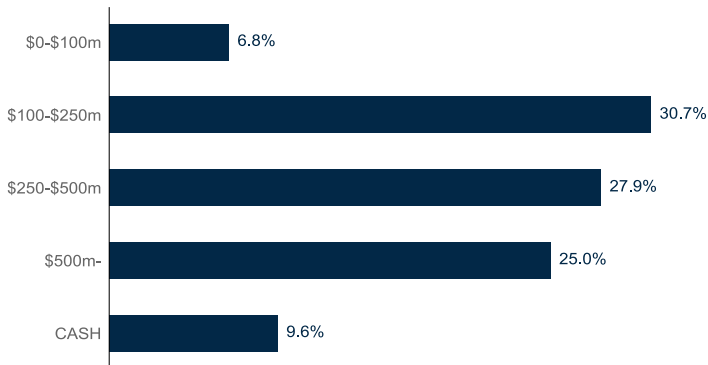
Overall Commentary

The Spheria Australian Microcap Fund returned -3.7% (after fees) for the month of May, underperforming the S&P/ASX Small Ordinaries Accumulation by 3.7%.

Top 5 Holdings

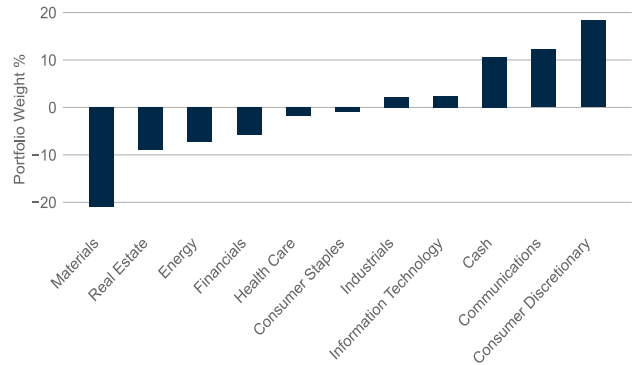
Company Name	% Portfolio
Supply Network Limited	5.5
Coast Entertainment Holdings Limited	4.3
Nzme Limited	4.0
Adore Beauty Group Limited	3.9
Hipages Group Holdings Limited	3.9
Top 5	21.6

Market Cap Bands



Source: Spheria Asset Management

Active Sector Exposure



Source: Spheria Asset Management

Markets

The recurring “flight to safety” thematic drove another leg up in extremely expensive names. Anything cyclical / out-of-favour generally became even more so in May. The bifurcation was perhaps exacerbated by transition selling in the small and micro-cap space as two of our competitors were closed during the month. Nevertheless, it was a difficult month for the fund as several holdings downgraded their earnings expectations including Michael Hill International (MHJ.ASX), Ainsworth Game Technology (AGI.ASX) and MaxiParts (MXI.ASX). Unfortunately, positive movements in the share prices of Supply Network (SNL.ASX), Vista Group International (VGL.ASX), Nuix (NXL.ASX) and Jupiter Mines (JMS) failed to make up for the aforementioned factors.

In our opinion, the Australian economy is experiencing “recession like” conditions which though negative for company profits in the short term could paradoxically precipitate an easing of monetary policy in the not-too-distant future. Given the market tends to price in advance of such shifts, we believe there is currently an attractive window to buy cyclically exposed companies that in many cases are plumbing multi-year lows and, in some cases, all-time lows.

Platform Availability List

The Spheria Australian Microcap 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

Acclaim Wealth	DASH	mFund	PowerWrap
AMP North	HUB24	Netwealth	Praemium
Asgard	Insignia Expand	OneVue	
BT Panorama	Macquarie Wrap		

Spheria Australian Microcap Fund	
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment Objective	The Funds aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term
Investing Universe	Primarily listed companies outside the top ASX 250 listed companies by market capitalisation and companies listed on the New Zealand Stock Exchange with an equivalent market capitalisation
Holdings	Generally 20-65 stocks
Distributions	Annually
Fees	1.35% 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, typically 5% - 10%
Expected Turnover	20% - 40%
Style	Long only
APIR	WHT0066AU
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

Disclaimer

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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

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