

Overall Commentary

The Company's performance for the month of July was 4.1% (after fees), outperforming the S&P/ASX Small Ordinaries Accumulation Index by 0.6%.

Markets rallied in July as fears of further rate rises abated, supported by better-than-expected inflation data. Bega Cheese (BGA.ASX), Universal Store Holdings (UNI.ASX) and Monadelphous (MND.ASX) drove the relative outperformance. Whilst Link Holdings (LNK.ASX), Supply Network (SNL.ASX) and Appen (APX.ASX) were notable detractors.

During the month, the Company continued with its capital management initiatives, aimed at reducing the NTA discount. Pleasingly, these initiatives appear to be having a positive impact. To this end, the Company acquired shares at an attractive discount to the Company's NTA as part of its on-market share buy-back. In addition, the Company declared a 25% increase in its quarterly dividend to 2.8 cents per share, payable on 7 August, equivalent to 1.25% of the Company's post-tax NTA at 30 June.

Company Facts

Investment Manager	Sphera Asset Management Pty Limited
ASX Code	SEC
Share Price	\$1.96
Inception Date	30 November 2017
Listing Date	5 December 2017
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Dividends Paid	Quarterly
Management Fee	1.00% (plus GST) per annum ¹
Performance Fee	20% (plus GST) of the Portfolio's outperformance ²
Market Capitalisation	\$117.4m

¹ Calculated daily and paid at the end of each month in arrears.

² Against the Benchmark over each 6-month period to a high-water mark mechanism

Performance as at 31 July 2023

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. ³
Company ¹	4.1%	2.3%	7.0%	14.7%	6.2%	6.7%
Benchmark ²	3.5%	0.2%	0.8%	5.9%	3.2%	4.0%
Difference	0.6%	2.1%	6.2%	8.9%	3.0%	2.7%

¹ Calculated as the Company's investment portfolio performance after fees excluding tax on realised and unrealised gains/losses and other earnings and after company expenses

² Benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

³ Inception date is 30 November 2017. Past performance is not a reliable indicator of future performance. All p.a. returns are annualised.

Net Tangible Assets (NTA)¹

Pre-Tax NTA²

2.256

Post-Tax NTA³

2.260

The NTA values shown above are after the dividend of 2.8 cents per share payable on 7 August 2023. The ex-date of the dividend was 20 July 2023.

¹ NTA calculations exclude Deferred Tax Assets relating to capitalised issue cost related balance and income tax losses.

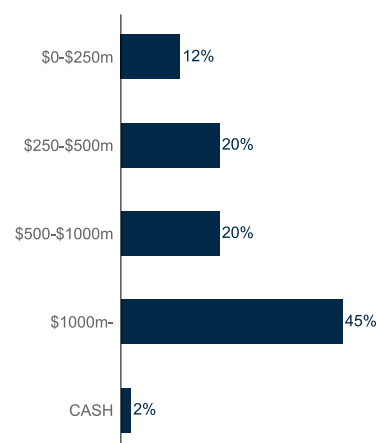
² Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

³ Post-tax NTA includes tax on realised and unrealised gains/losses and other earnings.

Top 10 Holdings

Company Name	% Portfolio
IRESS Limited	4.7
Adbri Limited	4.1
Vista Group International Limited	4.1
Bega Cheese Limited	4.1
InvoCare Limited	3.8
Insignia Financial Limited	3.5
Supply Network Limited	3.4
Breville Group Limited	3.4
Deterra Royalties Limited	3.1
A2B Australia Limited	3.0
Top 10	37.0

Market Cap Bands



Source: Sphera Asset Management

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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