

Overall Commentary

The Company performance for the month of April was 1.1% (after fees), underperforming the S&P/ASX Small Ordinaries Accumulation Index by 0.7%.

Company Facts

Investment Manager	Sphera Asset Management Pty Limited
ASX Code	SEC
Share Price	\$2.240
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	\$134.0m

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

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

Performance as at 30 April 2025

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. ³
Company ¹	1.1%	-1.3%	10.8%	4.2%	13.6%	7.4%
Benchmark ²	1.8%	-4.6%	3.7%	0.3%	7.7%	4.5%
Difference	-0.7%	3.2%	7.1%	4.0%	5.8%	2.9%

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

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

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

NTA Tangible Assets (NTA)¹

Pre-Tax NTA²

2.406

Post-Tax NTA³

2.341

The NTA values shown above are after the dividend of 3.5 cents per share payable on 15 May 2025. The ex-date of the dividend was 24 April 2025.

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

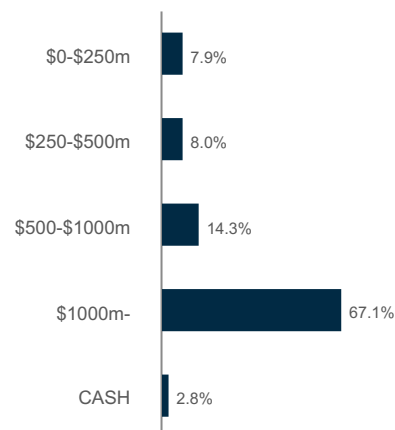
²Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

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

Top 10 Holdings

Company Name	% Portfolio
Supply Network Limited	6.7
Healius Limited	6.2
IRESS Limited	4.9
Deterra Royalties Limited	4.3
Fletcher Building Limited	4.2
Sims Limited	4.0
Technology One Limited	3.1
Domain Holdings Australia Limited	3.0
Eagers Automotive Limited	3.0
Insignia Financial Limited	2.9
Top 10	42.3

Market Cap Bands



Source: Sphera Asset Management

Markets

The positive monthly return sharply contrasts with the overall sentiment of the month, which saw small-cap equities fall by over 8% before a significant recovery pushed them into positive territory. The sharp selloff driven by President Trump announcing significant tariffs across most trading partners, initially ranging from a baseline of 10% to 50% on all US imports. Whilst increased tariffs were expected, they were materially larger and more widespread than expected causing markets to fear the possibility of a global recession. As the market unraveled Trump quickly stepped in announcing a 90-day pause on tariffs for non-retaliating countries (except for China where the tariff rate was increased to 145%) and a willingness to negotiate terms seeing the S&P500 rebound ~9% in one day. Despite markets recovering there remains uncertainty regarding the future of trade policies and companies have already begun to reflect this in their outlook. Travel companies FLT.ASX and CTD.ASX are examples of this with both companies downgrading their earnings last week, driven by slowing growth in the US. We expect this theme to continue over the coming months as corporates attempt to navigate the changing environment.

As discussed in recent commentaries, M&A continues to remain a theme across small caps with the portfolio benefiting from this during the month as Abacus Storage King (ASK.ASX) received a non-binding indicative proposal at a 27% premium to the undisturbed price and Ainsworth Game Technology received a binding bid from Novomatic to acquire the remaining 47.1% stake it does not currently own at a 35% premium to the last undisturbed price.

Over the month the largest contributors were owning Ainsworth Game Technology (AGI.ASX, +20%), an overweight position in Abacus Storage King (ASK.ASX, +26%), and an overweight position in Eagers Automotive (APE.ASX, +23%). The largest detractors from performance included an overweight position in Fletcher Building (FBU.ASX, -5%), not owning De Grey Mining (DEG.ASX, +15%), and owning NZME (NZM.ASX, -9%).

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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