

Overall Commentary

The Company performance for the month of March was -2.4% (after fees), outperforming the S&P/ASX Small Ordinaries Accumulation Index by 1.2%.

Australian equity markets experienced heightened volatility in March. Whilst it is easy to blame certain political figures (the media's narrative) and economic policy, we believe the falls mostly reflect unsustainable valuations which have arisen due to the market crowding into winners and away from losers, at any price. US government spending cuts will hurt the US economy in the short term but could lead to a more sustainable economic footing particularly if tariffs and lower tax rates can incentivise private sector investment in the USA. Where the US economy goes so does the world economy and the market will look ahead to this recovery at some point.

On the other hand, gold prices reached new highs with the materials sector significantly outperforming during the month. Despite no gold exposure in the portfolio, the rotation away from expensive growth stocks has supported performance which is focused on cashflow, balance sheet and valuation.

Over the month the largest contributors were an overweight position in Healius (HLS.ASX, +9%), not owning Zip Co (ZIP.ASX, -35%), and owning NZME (NZM.ASX, +10%). The largest detractors from performance included not owning West African Resources (WAF.ASX, +34%), not owning Genesis Minerals (GMD.ASX, +17%), and not owning Perseus Mining (PRU.ASX, +15%).

Company Facts

Investment Manager	Sphera Asset Management Pty Limited
ASX Code	SEC
Share Price	\$2.330
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	\$139.4m

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 31 March 2025

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. ³
Company ¹	-2.4%	2.0%	5.5%	3.1%	16.5%	7.4%
Benchmark ²	-3.6%	-2.0%	-1.3%	-0.8%	10.2%	4.3%
Difference	1.2%	4.0%	6.8%	3.9%	6.2%	3.0%

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

2.417

Post-Tax NTA³

2.356

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

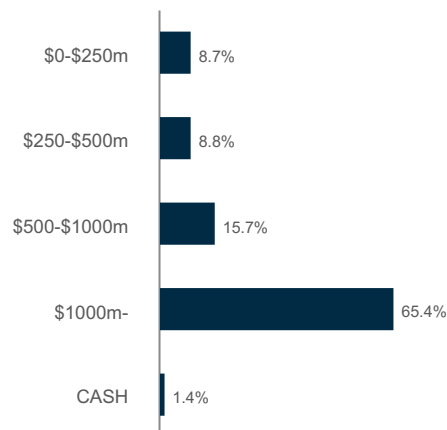
²Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

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

Top 10 Holdings

Company Name	% Portfolio
Supply Network Limited	6.3
Healius Limited	6.0
IRESS Limited	4.7
Fletcher Building Limited	4.4
Deterra Royalties Limited	4.3
Sims Limited	4.1
Domain Holdings Australia Limited	3.4
Bega Cheese Limited	3.2
Technology One Limited	2.9
Universal Store Holdings Limited	2.8
Top 10	42.0

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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