

## Performance as at 31 May 2024

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. <sup>1</sup>
Fund <sup>2</sup>	1.8%	4.7%	16.0%	6.0%	8.3%	9.6%
Benchmark <sup>3</sup>	0.2%	1.7%	10.0%	3.3%	7.3%	8.3%
Difference	1.5%	3.0%	5.9%	2.7%	0.9%	1.3%

<sup>1</sup> Inception date is 11 July 2016. Past performance is not a reliable indicator of future performance. All p.a. returns are annualised.

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

<sup>3</sup> Benchmark is the S&P/ASX Mid-Small Accumulation Index.

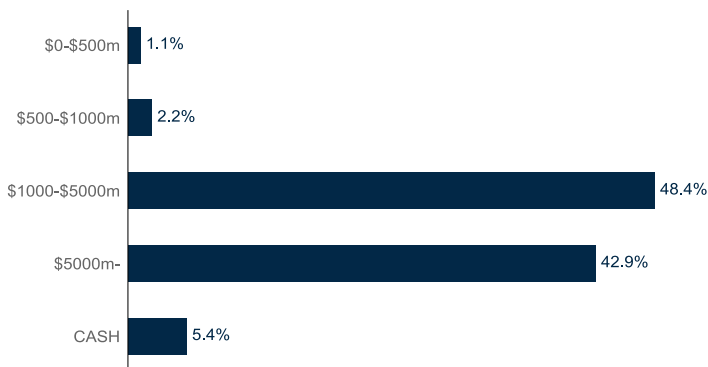
### Overall Commentary

The Spheria Opportunities Fund returned 1.8% (after fees) during the month of May, outperforming the S&P/ASX Mid-Small Accumulation Index by 1.5%.

### Top 5 Holdings

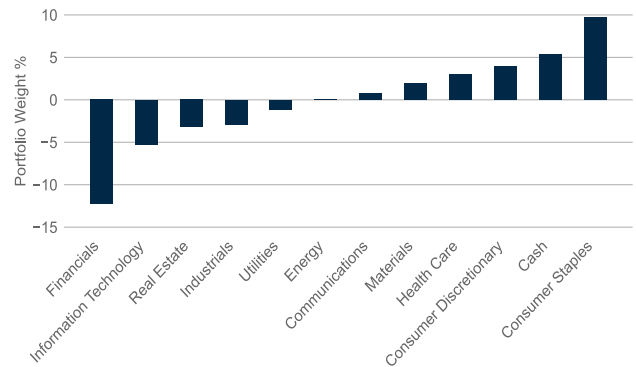
Company Name	% Portfolio
Whitehaven Coal Limited	6.8
The A2 Milk Company Limited	5.7
Charter Hall Group	5.0
ALS Limited	4.4
Incitec Pivot Limited	4.3
<b>Top 5</b>	<b>26.1</b>

### Market Cap Bands



Source: Spheria Asset Management

### Active Sector Exposure



Source: Spheria Asset Management

## Markets

The “flight to safety” thematic benefited performance due to the fund’s overweight exposure to mid-cap companies. Interestingly, several larger positions that we have owned and that have lagged in recent years have turned around significantly since late last year including A2 Milk (A2M.ASX), Alumina (AWC.ASX) and Whitehaven Coal (WHC.ASX). This has driven a resurgence in the fund’s absolute and relative performance which had been under pressure for most of 2023.

Notable detractors for the month were Iluka Resources (ILU.ASX), Bapcor (BAP.ASX) and Iress (IRE.ASX). The Iluka share price has been volatile due in part to its rare-earth exposure, which we view as a cheapish call option for the company. Bapcor – a smaller position in the fund – downgraded earnings expectations in May, whilst Iress had a cyber security incident which affected sentiment and the share price.

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. We have started gradually rotating the fund away from its overweight to mid-caps to reduce the underweight to smaller-caps where earnings and share prices have been under the most pressure.

## Platform Availability List

The Spheria Opportunities Fund is available on the below Platforms. Platforms provide 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.

HUB24

mFund

Netwealth

Praemium

Macquarie Wrap

<b>Spheria Opportunities Fund</b>	
Benchmark	S&P/ASX Mid-Small Accumulation Index
Investment Objective	Outperform the S&P/ASX Mid-Small Accumulation Index over the medium to long term
Investing Universe	Primarily listed companies outside the top ASX 50 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	Half-Yearly
Fees	0.99% p.a Management fee & 15% 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	30% - 40%
Style	Long only, risk aware
APIR	WHT0025AU
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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