



20 July 2026

By Electronic Lodgement

Market Announcements Office
ASX Limited
39 Martin Place
Sydney NSW 2000

Dear Sir/Madam

Spheria Australian Smaller Companies Fund - Active ETF (ASX:SPHX) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 30 June 2026. For further information, please contact 1300 010 311.

Authorised by:

Terence Kwong
Company Secretary

Pinnacle Fund Services Limited as responsible entity of Spheria Australian Smaller Companies Fund – Active ETF (ASX:SPHX)

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Performance as at 30 June 2026

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. ³
Fund ¹	-0.7%	0.2%	0.1%	8.7%	4.0%	8.3%
Benchmark ²	-2.0%	3.3%	8.1%	9.9%	3.0%	6.5%
Difference	1.3%	-3.1%	-8.0%	-1.2%	1.0%	1.8%

¹The above shows the performance of the unquoted class (Sphera Australian Smaller Companies Fund) from its inception on 11 July 2016 up to 15 April 2026, and the quoted class (Sphera Australian Smaller Companies Fund - Active ETF) from 15 April 2026 onwards, after applicable fees and other costs. The performance of the quoted class of the Fund may differ from the performance of the unquoted class, and such differences may have a material impact on the performance of that investment. Investors should use the past performance of the unquoted class prior to the inception date of the quoted class for illustrative purposes only. Past performance is not a reliable indicator of future performance. All p.a. returns are annualised.

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

³ Inception date for the unquoted class of the Fund is 11 July 2016. The inception date for quoted class of the Fund is 15 April 2026.

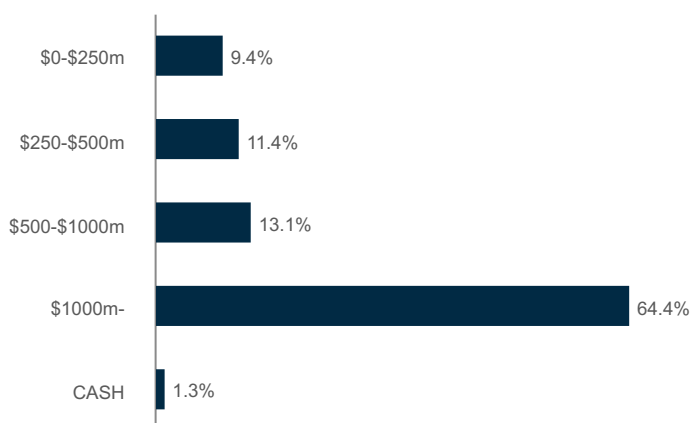
Overall Commentary

In the month ended 30 June 2026, the Fund returned -0.7%, overperforming the S&P/ASX Small Ordinaries Accumulation Index by 1.3%.

Top 5 Holdings

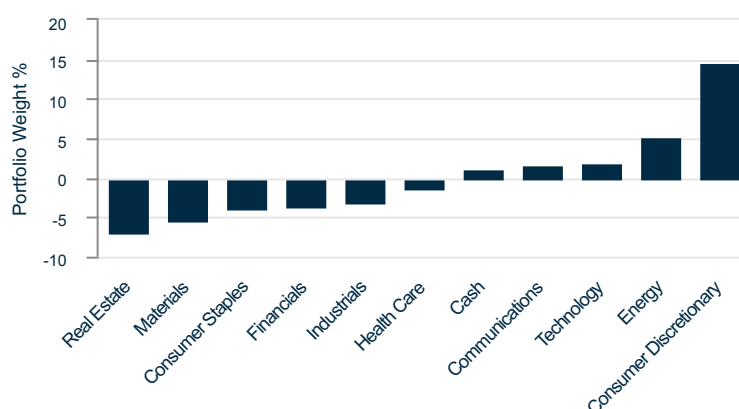
Company Name	% Portfolio
Supply Network Limited	5.0
Imdex Limited	4.2
Perpetual Limited	4.1
Deterra Royalties Limited	3.8
Sims Limited	3.7
Top 5	20.8

Market Cap Bands



Source: Sphera Asset Management

Active Sector Exposure



Source: Sphera Asset Management, Bloomberg

Markets

Global equity markets closed the financial year on a strong note, with both large and small caps posting robust returns in June. The MSCI World Index returned 30% over the year, while the MSCI Small Cap Index returned 23%. Information technology led the global rally, with the Technology Hardware sub-sector within the MSCI Smaller Companies Index delivering a remarkable 900% return - though this was driven overwhelmingly by a single stock, SanDisk (SNDK.US), which rose roughly 4,900% over the period, underscoring just how narrow that reported return really was. Materials followed close behind, buoyed by strong commodity prices across copper, gold, and a recovering lithium market.

The domestic equity indices significantly lagged their global peers, though Australian small caps outperformed large caps, returning 8% for the financial year versus around 6% for the ASX 50. Materials was again a standout locally, consistent with the global theme, but Australia's direct AI exposure is far thinner - outperformance here was concentrated in electrical contractors and a handful of data-center-related names. That, combined with the cumulative weight of several rate rises amid worsening inflation, kept pressure on the Australian consumer and, in turn, the broader equity market. The market was further impacted by a de-rating of the software sector as investors began questioning AI's threat to barriers to entry.

The fund lagged the index over the financial year, driven mainly by an underweight to resources. As bottom-up fundamental investors, our process makes it harder to find quality small-cap resources names, given that anything with decent reserve life and low unit costs tends to already sit among the ASX's largest 100 companies or has been acquired by a larger miner. Gold producers are conceptually an even tougher fit for us: industrial demand is a relatively small component of overall demand, so the commodity price is driven more by speculative forces than by fundamental industrial demand and cost curves. History suggests that investing in high-cost gold mines with limited reserve life rarely ends well for investors, and our preference is to play in better risk-reward scenarios instead. As a result, the portfolio has historically been underweight the sector, gaining exposure instead through quality mining services names such as Mader (MAD.ASX) and Imdex (IMD.ASX) - though this was not enough to offset the strong returns delivered by the broader materials sector over the financial year.

Major Contributors to Performance

Over the month the largest contributors were not owning Liontown (LTR.ASX, -30%), an overweight position in Universal Store (UNI.ASX, +15%), and not owning Alcoa Corporation (AAI.ASX, -27%).

Universal Store (UNI.ASX) returned 15%, rebounding off oversold levels driven by weak sentiment across the consumer discretionary sector. In contrast to most other retailers, Universal continues to deliver strong topline growth and cost control in an environment where peers have generally seen weak growth and margin pressure. In May, the company provided a strong financial-year-to-date trading update, with positive like-for-like (LFL) sales across all three brands. The Universal Store brand delivered +8.5% LFL sales for the 43 weeks, cycling a strong +13.7% comp, while Perfect Stranger delivered +12.9%, cycling +26.7% growth. FY26 guidance remains strong, with 11.5% revenue growth and 15.4% EBIT growth expected despite the impact of higher labour costs and general inflationary pressure, with the business managing costs and margins well. Universal Store has been a long-term holding for the fund, and we believe it remains a quality retailer with ongoing growth through store roll-out, a net cash balance sheet, and trading on only 8.5x FY27 EV/EBIT.

Major Detractors from Performance

The largest detractors from performance included an overweight position in Karoon Energy (KAR.ASX, -26%), not owning Megaport (MP1.ASX, +44%), and not owning Zip Co (ZIP.ASX, +41%).

Karoon Energy (KAR.ASX) returned -26% during the month, driven by both a fall in oil prices and a company-specific trading update. The company revised CY26 production guidance from 8.1-9.2 MMboe to 7.2-8.2 MMboe, due to lower production at its Who Dat field in the Gulf of Mexico. A piece of subsea equipment failed at one of Who Dat's key production points, and the operator now doesn't expect it to be fully repaired until 2027, meaning part of the field will produce well below its normal run rate. Two smaller wells due to come online later this year will help offset some of the shortfall, but not enough to close the gap entirely.

Importantly, Karoon's main oil well at its Bauna Project is now fully back online. This well represents nearly 50% of the company's production in Brazil. We feel the market has overreacted to the issues at Who Dat, given it represents approximately 25% of normalised group production. Bauna is far more important, given it is most of group production and commands a higher premium for its oil. Importantly, it is also now past its capex hump and despite the higher spending, management announced a further share buyback of up to 10% of shares on issue - reflecting confidence in the company's overall cash flows and balance sheet strength.

Outlook & Strategy

FY2026 has been a challenging market for bottom-up fundamental investors. Returns were concentrated in a handful of core themes - namely AI and miners - and this lack of breadth drove outsized gains in a small number of names, while much of the rest of the market, particularly stocks sitting outside the index, were largely written off. As discussed in the market summary, the global small-cap Technology Hardware sector's return, driven almost entirely by a single company, illustrates just how narrow this market has been. Riding the winners and ignoring the losers, at any price and any valuation, was the story of the year.

Moving forward, we expect M&A activity to continue picking up as depressed valuations draw corporate and private capital back into the market - a trend already playing out overseas, as seen with a private equity group in the process of acquiring Intertek, one of the larger holdings in our global fund. Just after month end, Perpetual (PPT.ASX) announced it had received a takeover approach after its share price had fallen to five-year lows. We view this as tangible validation of the valuation gap we have been highlighting when the market won't pay up for quality, someone else usually will. Our focus remains where it has been throughout this cycle - on patient, fundamentals-driven positioning in the areas the market has chosen to overlook.

Spheria Australian Smaller Companies Fund - Active ETF	
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment Objective	Outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term
Investing Universe	Primarily listed companies outside the top ASX 100 listed companies by market capitalisation and companies listed on the New Zealand Stock Exchange with an equivalent market capitalisation
Risk	Very high
Holdings	Generally 30 - 80 stocks
Distributions	Half-Yearly
Fees	1.10% p.a. Management fee & 20% performance fee of the Fund's excess return versus its benchmark, net of management fees and costs.
Cash	0 - 20% cash
Style	Long only
ASX Ticker	SPHX
APIR	WHT0731AU

Contact Us

For more information, please contact Pinnacle Investment Management Limited on 1300 010 311 or email distribution@pinnacleinvestment.com

Disclaimer

This communication is prepared by Spheria Asset Management Pty Limited ('Spheria') (ABN 42 611 081 326, Corporate Authorised Representative No. 1240979) as the investment manager of the Spheria Australian Smaller Companies Fund - Active ETF (ARSN 117 083 762) (the 'Fund'). Pinnacle Fund Services Limited ('PFSL') (ABN 29 082 494 362, AFSL 238371) is the product issuer of the Funds. PFSL is not licensed to provide financial product advice. PFSL is a wholly-owned subsidiary of the Pinnacle Investment Management Group Limited ('Pinnacle') (ABN 22 100 325 184). The Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') of the Fund are available via the links below. Any potential investor should consider the PDS and TMD before deciding whether to acquire, or continue to hold units in, the Fund.

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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