

Overall Commentary

During the month ended 31 July 2026, the Company returned 1.3% (after fees), outperforming the S&P/ASX Small Ordinaries Accumulation Index by 4.5%.

Company Facts

Investment Manager	Sphera Asset Management Pty Limited
ASX Code	SEC
Share Price	\$2.370
Inception Date	30 November 2017
Listing Date	5 December 2017
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Dividends Paid	Monthly
Management Fee	1.00% (plus GST) per annum ¹
Performance Fee	20% (plus GST) of the Portfolio's outperformance ²
Market Capitalisation	\$142.0m

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 31 July 2026

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	7 Years p.a.	Inception p.a. ³
Company ¹	1.3%	1.9%	-4.5%	6.6%	3.4%	6.7%	6.7%
Benchmark ²	-3.2%	-3.2%	1.8%	7.5%	2.2%	4.4%	5.2%
Difference	4.5%	5.1%	-6.3%	-0.8%	1.3%	2.3%	1.5%

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

2.255

Post-Tax NTA³

2.239

¹NTA calculations exclude Deferred Tax Assets relating to capitalised issue related balance and income tax losses. These figures are subject to audit.

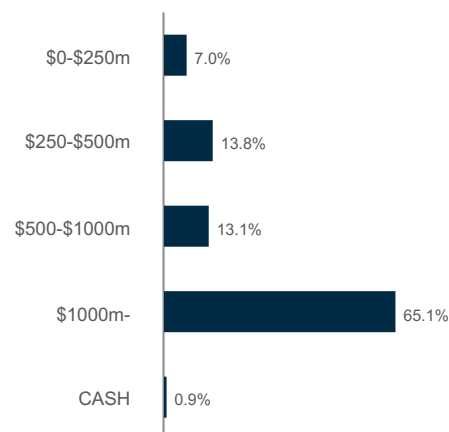
²Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

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

Top 10 Holdings

Company Name	% Portfolio
Supply Network Limited	5.3
Perpetual Limited	4.8
IRESS Limited	4.3
Fletcher Building Limited	4.0
Deterra Royalties Limited	4.0
Orora Limited	4.0
Imdex Limited	3.7
Universal Store Holdings Limited	3.4
Sims Limited	3.4
New Hope Corporation Limited	3.2
Top 10	40.0

Market Cap Bands



Source: Sphera Asset Management

Markets

Global equity markets drifted sideways in July, though not without intra-month volatility. Much of the month was spent digesting the risk of a resumption of the US-Iran conflict, with oil rallying as much as ~20% intra-month. This played out against a backdrop of cooling US inflation, which kept the Fed on hold and pushed out the prospect of a near-term rate hike.

Beneath the surface, there was a broad rotation away from the winners of FY26. Small caps underperformed both domestically and internationally, and AI-trade names retreated as the market grew increasingly skeptical that the sector's substantial capex spend will generate commensurate returns. The South Korean KOSPI - now something of a proxy for the AI hardware thematic - retraced ~38% peak to trough between late June and end July. Australia has less direct exposure to semiconductors, but data centre and electrical contracting names still came under pressure. On the positive side, the funds benefited from a rotation back into some of the more beaten-up cyclicals.

Over the month the largest contributors were an overweight position in Perpetual (PPT.ASX, +22%), an overweight position in Karoon Energy (KAR.ASX, +20%), and an overweight position in Fletcher Building (FBU.ASX, +10%). The largest detractors from performance included an overweight position in Centuria Capital Group (CNI.ASX, -24%), not owning Viva Energy Group Ltd. (VEA.ASX, +38%), and owning Mader Group (MAD.ASX, -13%).

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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