

## Performance as at 31 December 2025

|                        | 1 Month | 3 Months | 1 Year | 3 Years p.a. | 5 Years p.a. | Inception p.a. <sup>1</sup> |
|------------------------|---------|----------|--------|--------------|--------------|-----------------------------|
| Fund <sup>2</sup>      | -1.5%   | -3.0%    | 2.9%   | 10.8%        | 7.2%         | 10.7%                       |
| Benchmark <sup>3</sup> | -0.7%   | 2.2%     | 11.3%  | 15.1%        | 10.3%        | 9.9%                        |
| Difference             | -0.7%   | -5.2%    | -8.4%  | -4.4%        | -3.1%        | 0.8%                        |

<sup>1</sup>Inception date is 01 March 2019. Past performance is not a reliable indicator of future performance. All p.a. returns are annualised.

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

<sup>3</sup>Benchmark is the MSCI World Small Cap Index (net in AUD) for all periods. Please note that the Benchmark from inception to 30 June 2021 was the MSCI Kokusai Microcap Index (net in AUD) and from 1 July 2021 to 30 September 2022 was the MSCI World Microcap Index (net in AUD).

Please note the strategy of the Fund changed effective 1 October 2022. The Spheria Global Opportunities Fund was previously known as the Spheria Global Microcap Fund which targeted global listed microcap companies (companies with a market capitalisation of US\$1 billion and below at time of purchase).

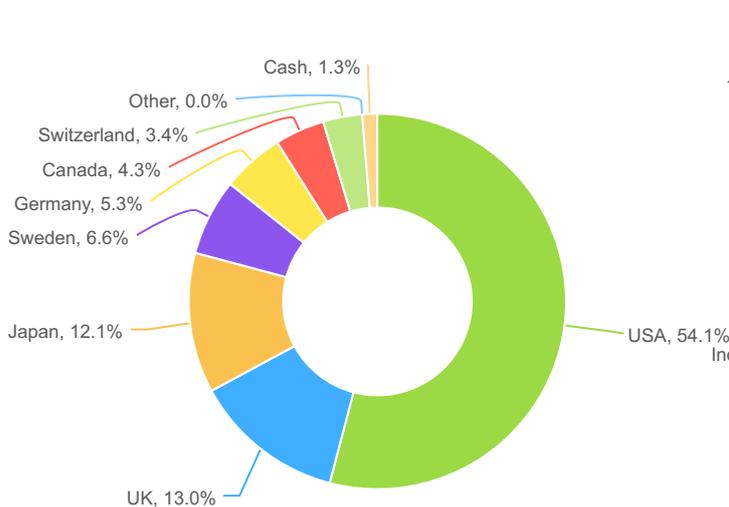
### Overall Commentary

In the quarter ended 31 December 2025, the Fund returned -3.0% (after fees), underperforming the MSCI World Small Cap Accumulation Index (Net Return) AUD by 5.2%.

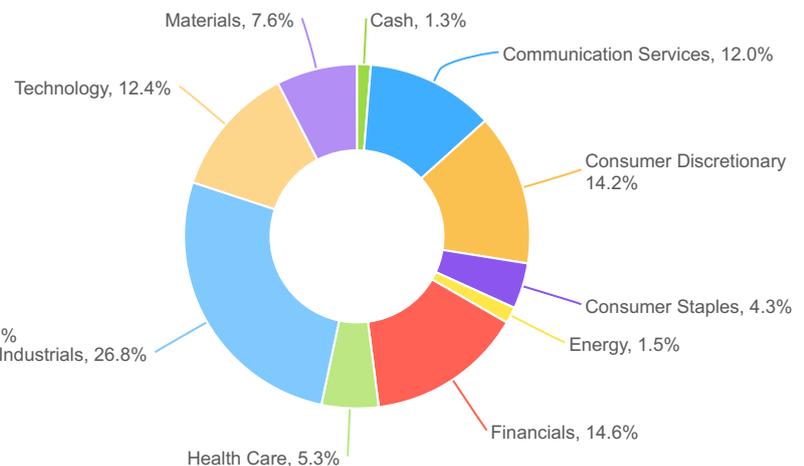
### Top 5 Holdings

| Company Name                  | % Portfolio |
|-------------------------------|-------------|
| Cargurus Inc                  | 5.4         |
| Sapiens International Corp NV | 4.1         |
| Intertek Group PLC            | 4.0         |
| Hemnet Group AB               | 3.8         |
| Accelleron Industries AG      | 3.4         |
| <b>Top 5</b>                  | <b>20.6</b> |

### Regional Exposure



### Sector Exposure

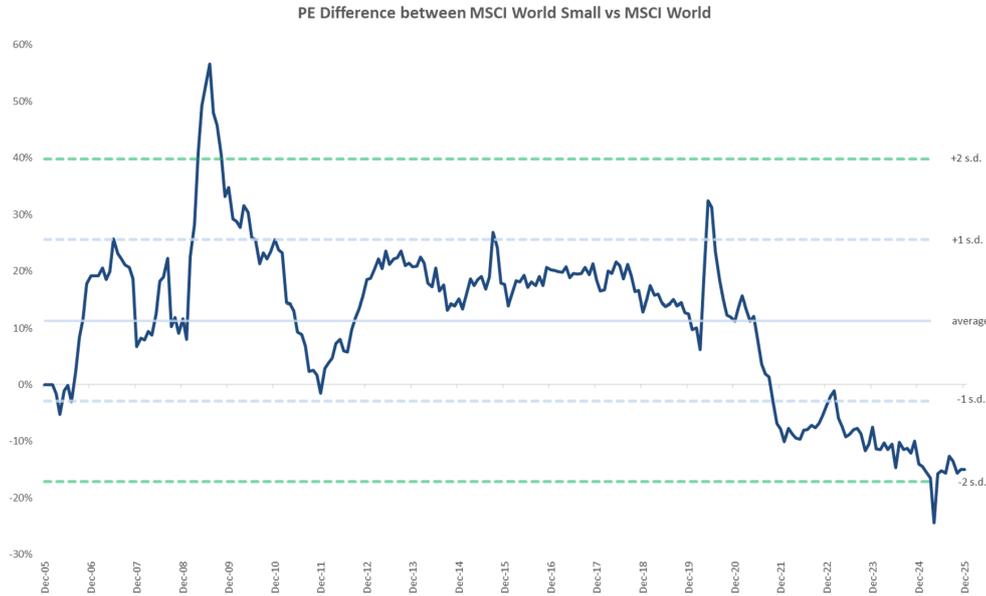


## Markets

By sector, Healthcare continued its resurgence, having now recouped the entirety of its losses from earlier in the year after President Trump had signaled a reduction in drug prices as a key policy objective. The Materials sector was also strong, led in large part by an assortment of lithium, gold, silver and aluminium producers. Consumer Staples and Consumer Discretionary were both weak.

By Region, the UK underperformed by ~2% whilst all other regions performed more or less in line with one another.

Small caps are still yet to materially close the relative valuation gap that has opened up since shortly before the current interest rate cycle kicked off in early 2022.



Source: Bloomberg (December 2025)

### Major Contributors to Performance

Over the quarter the largest contributors were owning Expeditors (EXPD US, +21%), an overweight position in YETI (YETI US, +33%), and owning Jack Henry & Associates, Inc. (JKHY US, +22%).

JKHY is a Missouri-based provider of mission-critical banking software to US regional and community financial institutions. Founded in 1976, JKHY provides software that sits at the heart of a bank or credit union's operations, with offerings spanning core banking platforms, online and mobile banking, fraud and risk tools, and cloud-delivered solutions that help their clients modernise legacy systems, enhance customer experience and meet increasingly complex regulatory requirements.

Within US banking software, JKHY is known for its strong culture, service and execution servicing the community and regional banking landscape. High switching costs, multi-year contracts and the operational risk of changing core providers create a durable moat, supporting resilient revenue and pricing power over time. JKHY has grown revenue at ~7% p.a. CAGR over the past five years while maintaining stable margins despite end-customer consolidation, with over 90% of revenue recurring and minimal customer churn.

During the quarter the business reported a robust Q1 result, delivering solid revenue growth and margin expansion driven by expense control and favourable mix. Management cited an improved pricing environment, as well as continued momentum in migrating on-prem customers to JKHY's private cloud. In addition to this, market leader Fiserv announced an earnings downgrade in combination with a leadership shake-up and a commitment to greater price discipline going forward. This clearly bodes well for JKHY.

With healthy top-line growth and consistently stable margins through the cycle, JKHY ticks many of the Fund's boxes, including strong cash flow, high returns on invested capital and a net cash balance sheet. We initiated a position in the business last August when the stock was under pressure and we remain optimistic that it can continue to deliver strong returns for the Fund going forward.

### Major Detractors from Performance

The largest detractors from performance included an overweight position in Hemnet (HEM SS, -26%), owning Paycom (PAYC US, -24%), and an overweight position in Rightmove (RMV LN, -27%).

PAYC provides cloud-based human capital management (HCM) software for small to mid-sized companies in the USA. Its software includes a suite of applications in talent acquisition (recruitment & onboarding), time & labour management, and payroll. The Fund established a position in Mar-24, before adding on weakness in Sep-25.

At its core PAYC's software helps customers to eliminate inefficiencies, reduce manual work, improve accuracy, and reduce compliance risk. Labour cost reduction is the biggest single source of value, which is achieved thanks to the company's unified technology stack. Put simply, PAYC consolidates HR, payroll, time and labour, and recruitment in the one piece of software, reducing the need to run

multiple applications and thus to perform data reconciliations between them. This translates into customers needing fewer payroll and HR staff as the organisation scales as well as freeing up staff to perform higher value work.

Recent share price weakness comes as PAYC continues to deliver above-market revenue growth on the strength of its unified tech stack and market leading innovations. The weakness is attributable to a soft US jobs market, which will be a volume headwind for all HCM providers including PAYC. In the meantime, PAYC continues to focus on the controllables, recently launching an Ai-powered feature that allows users to instantly access HR and payroll data simply by asking for it in natural language.

Whilst the HCM space is competitive, and the soft jobs market may temper near term revenue growth, investors are being more than compensated for this at a 13.5x EBIT multiple. In addition, the business has a net cash balance sheet and is well placed to generate further market share gains in the medium term.

## Outlook & Strategy

Against this backdrop, the portfolio underperformed its benchmark over the quarter. Indeed, 2025 was a challenging year for quality-oriented strategies, as markets rewarded a combination of loss-making businesses, concept-driven stocks associated with artificial intelligence, and - particularly in the latter part of the year - precious metals exposures. These areas are less consistent with our investment focus, which prioritises businesses with durable economics, proven cash generation and clear paths to value creation.

As is always the case, market conditions are only part of the story. We also made our fair share of errors - both in individual stock outcomes and in the timing and sizing of certain decisions. We spend considerable time reviewing these outcomes, with the objective of learning from them and refining our process where appropriate, while remaining disciplined around the core principles that underpin the strategy.

We remain confident that maintaining a consistent, valuation-aware approach focused on high-quality businesses is the most reliable way to compound capital over the long term. While periods such as this can test patience, history suggests they also create the foundations for future opportunity, and we believe the portfolio is well positioned as the drivers of market returns inevitably evolve.

## Platform Availability List

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

[Asgard](#)  
[Macquarie Wrap](#)

[HUB24](#)

[Netwealth](#)

[Praemium](#)

[BT Panorama](#)

| Spheria Global Opportunities Fund |   |
|-----------------------------------|---|
| Benchmark                         | MSCI World Small Cap Index  |
| Investment Objective              | Outperform the MSCI World Small Cap Index in AUD (Net) over the long term   |
| Investing Universe                | Global listed small cap and microcap companies with a market capitalisation equal to or lower than the market capitalisation of the largest issuer in the MSCI Global Small Cap Index at the time of purchase |
| Risk                              | High  |
| Holdings                          | Generally 30-80 stocks  |
| Distributions                     | Annually  |
| Fees                              | 1.10% p.a management fee & 20% performance fee of the Fund's excess return versus its benchmark, net of the management fee  |
| Cash                              | Up to 20% cash  |
| Expected Turnover                 | 20% - 40%   |
| Style                             | Long only   |
| APIR                              | WHT6704AU   |
| 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](#)

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