

### Celeste Australian Small Companies Fund

#### Performance Statistics (Total Returns net of fees)

	1 mth %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	10 yrs % p.a.	15 yrs % p.a.
Celeste Aust. Small Co. Fund <sup>1</sup>	+2.4	-8.9	+10.8	+3.3	+5.1	+5.6
<b>Performance (relative to Index)</b>	<b>-0.4</b>	<b>+0.5</b>	<b>+1.6</b>	<b>-0.6</b>	<b>-0.9</b>	<b>+3.5</b>
S&P/ASX Small Ords Acc Index	+2.8	-9.4	+9.2	+3.9	+6.0	+2.1
S&P/ASX Small Inds Acc Index <sup>2</sup>	+3.6	-7.6	+6.3	+3.0	+6.0	+4.2
S&P/ASX Small Res Acc Index <sup>2</sup>	+0.7	-15.4	+20.2	+6.9	+5.2	-2.6

Past performance is not indicative of future returns.

#### Portfolio Commentary

The Fund rose 2.4%<sup>1</sup> (net of fees) in April, with its benchmark, the S&P/ASX Small Ordinaries Accumulation Index, increasing by 2.8% over the month. Since inception (May 1998) the Fund's return is 11.7%<sup>1</sup> p.a. (net of all fees), against the Index's 5.5% p.a.

**MA Financial (MAF)** rose 16.7% during April as investors' concerns regarding the future of Significant Investment Visa (SIV) inflows eased. The review noted the relative strength of outcomes of the SIV program relative to the broader Business Innovation and Investment Program. MAF also announced the acquisition of the d'Albora marina portfolio for \$225m as part of the launch of their new MA Marina Fund. The sellers, Balmain Corp. chose to remain invested via the new fund, underwriting the attractiveness of the proposal.

**IPH (IPH)** rose 9.7% in April following better than expected updates in late March and mid-April regarding the cyber incident discovered earlier in March. IPH's investigation found downloaded data was limited to a small number of Spruson & Ferguson clients with most IPH member firms unaffected. Further to this, IPH was able to quickly return to normal operations with key system functionality restored on new network infrastructure. IPH quantified the impact of the cyber incident to date announcing a \$4.4m March revenue shortfall and \$2-2.5m estimated one-off costs in FY23. IPH also confirmed Smart & Biggar achieved the full earn-out payment of C\$66m reflecting strong performance post-acquisition.

**NIB Holdings (NHF)** rallied 9.5% over the month following ongoing expansion into the NDIS that was announced in late March. NHF purchased Brisbane-based Connect Plan Management and entered into an agreement to purchase All Disability Plan Management. The company expects to be the plan manager of approximately 50,000 participants by FY25 under their nib Thrive banner. Given the increased scrutiny of the NDIS, NHF's entry into the space should provide a welcome improvement in oversight, controls, and the overall quality of outcomes for participants.

**United Malt Group (UMG)** fell 7.4% in April following a downgrade of 1H23 underlying EBITDA guidance. Previous guidance of \$58-66m most recently reaffirmed at their February AGM was reduced to \$51m primarily driven by lower volume partially offset by improved commercial terms (-\$4m) and a 2-month delay to the new Inverness facility start up (-\$3m). Despite this weakness, UMG reaffirmed FY23 underlying EBITDA guidance of \$140-160m supported by improving volume and margin trends through 2Q23. Following the \$5.00 per share bid by Malteries Soufflet last month we exited the majority of our position at higher levels.

<sup>1</sup> Total returns shown for the Celeste Australian Small Companies Fund has been calculated using exit prices after taking into account all of the Fund's ongoing fees and assuming reinvestment of distributions. No allowance has been made for entry fees or taxation. You should not base an investment decision simply on past performance. Past performance is not an indicator of future performance. Returns are not guaranteed and so the value of an investment may rise or fall.

<sup>2</sup> The S&P/ASX Small Industrials Accumulation Index and the S&P/ASX Small Resources Accumulation Index are used in the table for illustrative purposes. The S&P/ASX Small Industrials Accumulation Index represents all industrial companies within the S&P/ASX Small Ordinaries Accumulation Index. The S&P/ASX Small Resources Accumulation Index represents all resource companies within the S&P/ASX Small Ordinaries Accumulation Index.

#### Global Index Performance (Accumulation)

	1 month %	1 year %	3 years % pa
Australia – S&P/ASX All Ordinaries	+1.8	+1.5	+14.4
USA – S&P 500	+1.5	+0.9	+12.7
USA – NASDAQ Composite	0.0	-0.9	+11.2
Europe – FTSE (UK)	+3.1	+4.3	+10.1
Europe – DAX (Germany)	+1.9	+12.9	+13.6
Asia – Nikkei (Japan)	+2.9	+7.5	+12.6
Asia – Shanghai Composite (China)	+1.5	+9.1	+5.1

Source: IRESS

#### Market Commentary

During April, the S&P500 rose +1.5%, the FTSE 100 rallied +3.1% while the NASDAQ was flat (0.0%). US markets shook off concerns surrounding the looming recession, continued banking sector instability and debt ceiling uncertainty, instead focusing on an earnings season that (so far) has generally exceeded expectations. Domestically, the All Ordinaries Accumulation index rose +1.8% but performance was uneven across each sector. Real Estate was best-performing, up 5.0%, driven by strong gains in Mirvac Group (MGR) and Stockland (SGP). Materials was the worst performing sector, down -2.6%, driven by falling commodity prices and some disappointing quarterly updates with Mineral Resources (MIN) falling -9.0%. Commodity prices slid across the board, with precious metals the exception. Coking coal and iron ore dropped -21.9% and -8.5% while wheat also fell -8.5%. Gold stocks outperformed, up +7.5% in April, now up +54.0% in the last 6 months, driven by declines in the US dollar index and real yields. In contrast, the Small Resources Accumulation Index (+5.6%) outperformed the Small Industrials Accumulation Index (-3.0%), driven by both the stronger gold price as well as a more positive sentiment on lithium following Albermarle's bid on Liontown Resources (LTR) in late March. Overall, this resulted in small caps underperforming, with the Small Ordinaries Accumulation Index falling -0.7% over the month. Of note, Megaport (MP1) rallied +33.7% after providing earnings guidance materially above market expectations and Blackmores (BKL) was up +31.9% after Kirin Holdings announced an all-cash takeover at \$95 per share. Syrah Resources (SYR) fell -31.3% off the back of a DFS for Vidalia that disappointed the market while Star Group (SGR) was down -13.9% due to a significant and rapid deterioration in operating conditions.

After 10 consecutive rate hikes, the RBA held steady in April before recommencing with a shock 25bps hike in early May. Despite the aggressive tightening cycle over the past year, the housing market appears to have found a bottom, with CoreLogic data showing a +0.5% increase in house prices over April following a +0.6% gain in March. The rental market remains tight with capital city rents up +11.7% year-on-year as higher mortgage rates combine with rebounding migration. Forecast record net migration of 400,000 in the current financial year should however alleviate some of the labour shortages faced by corporates in recent times. We expect the heightened uncertainty faced by global markets will present equity mispricing opportunities and we will remain process-consistent in looking to add to positions where valuations are compelling.

#### Portfolio Top 5 Holdings

Stock	% of Fund
1 DATA #3	4.1
2 NRW HOLDINGS	4.0
3 NIB HOLDINGS	3.9
4 AUTOSPORTS GROUP	3.8
5 DETERRA ROYALTIES	3.7

## Fund at a Glance

### Fund Information

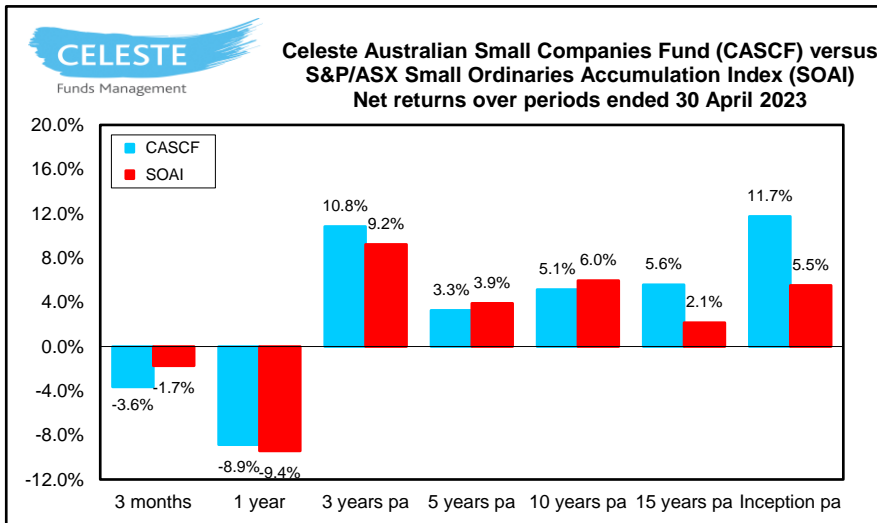
Primary Investments	Shares in listed Australian smaller companies
Investment objective	Exceed Small Ordinaries Accumulation Index over rolling 5 year periods
Unit price (redemption) as at 30.04.2023	\$3.5294
Unit price (application) as at 30.04.2023	\$3.5507
Fund Size as at 30.04.2023	\$69m
Minimum investment	\$25,000
Minimum additional investment	\$1,000
Minimum balance	\$15,000
Redemption will generally be available in	7 days
Distributions	30 June and 31 December
Entry fee*	0%
Exit fee*	0%
Buy/Sell differential*	0.30%
Management fee*	1.10% p.a
Performance fee**	20% of return above benchmark

\* These fees and charges apply for the duration of the Product Disclosure Statement (PDS) and are inclusive of the Goods and Services Tax.

\*\* A fee charged on performance of the investments of the Fund above the nominated benchmark performance. The benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the fund's Target Market Determination (<https://documents.feprecisionplus.com/tmd/PCT/TMD/N8Z8-FAM0101AU.pdf>) for further information.

### Fund Returns



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### Distribution History

Total distribution year ended	Cents Per Unit	Annual Yield %**
June 13	15.81	5.5
June 14	14.56	5.4
June 15	12.67	4.5
June 16	9.95	4.0
June 17	6.87	2.6
June 18	7.01	2.2
June 19	10.46	2.9
June 20	9.51	2.8
June 21	14.02	4.3
June 22	25.05	5.5

\*\* CPU / unit price at beginning of period

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