



**Spheria Emerging Companies Limited (Company)**  
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*By Electronic Lodgement*

Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**Spheria Emerging Companies Limited (ASX:SEC) – Monthly Investment Update**

Please find attached a copy of the investment update for the month ending 31 July 2024.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok  
Company Secretary

### Overall Commentary

The Company performance for the month of July was 6.7% (after fees), outperforming the S&P/ASX Small Ordinaries Accumulation Index by 3.2%.

Overseas there was a significant rotation away from expensive technology companies into smaller companies with the Russell 2000 index gaining over 10% and outperforming the NASDAQ by almost 12%. This was driven by increased expectations of a US rate cut in September with Federal Reserve members bringing forward their view on the timing of cuts due to weaker than expected economic data. In Australia, whilst small companies rallied 3.5%, they still lagged their large cap counterparts (i.e. S&P ASX 100 Index) which gained 4.2%. We feel there remains a valuation opportunity in many small cap names that have significantly lagged large cap peers and a narrow set of small cap “growth” companies which are trading at levels that appear nearly impossible to justify.

Iress (IRE.ASX), Magellan Financial Group (MFG.ASX) and Star Entertainment Group (SGR.ASX) were positive contributors over the month. City Chic Collective (CCX.ASX) and **not owning both** Zip Co (ZIP.ASX) and Ventia Services Group (VNT.ASX) were notable detractors.

### Company Facts

<b>Investment Manager</b>	<b>Spheria Asset Management Pty Limited</b>
ASX Code	SEC
Share Price	\$2.190
Inception Date	30 November 2017
Listing Date	5 December 2017
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Dividends Paid	Quarterly
Management Fee	1.00% (plus GST) per annum <sup>1</sup>
Performance Fee	20% (plus GST) of the Portfolio's outperformance <sup>2</sup>
Market Capitalisation	\$131.0m

<sup>1</sup> Calculated daily and paid at the end of each month in arrears.

<sup>2</sup> Against the Benchmark over each 6-month period to a high-water mark mechanism

### Performance as at 31 July 2024

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. <sup>3</sup>
Company <sup>1</sup>	6.7%	3.0%	9.7%	2.4%	7.3%	7.1%
Benchmark <sup>2</sup>	3.5%	2.0%	9.3%	-0.6%	3.5%	4.8%
Difference	3.2%	1.0%	0.4%	3.0%	3.8%	2.3%

<sup>1</sup> Calculated as the Company's investment portfolio performance after fees excluding tax on realised and unrealised gains/losses and other earnings and after company expenses

<sup>2</sup> Benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

<sup>3</sup> Inception date is 30 November 2017. Past performance is not a reliable indicator of future performance. All p.a returns are annualised.

### Net Tangible Assets (NTA)<sup>1</sup>

Pre-Tax NTA<sup>2</sup>

2.344

Post-Tax NTA<sup>3</sup>

2.310

The NTA values shown above are after the dividend of 3.4 cents per share payable on 13 August 2024. The ex-date of the dividend was 23 July 2024.

<sup>1</sup> NTA calculations exclude Deferred Tax Assets relating to capitalised issue related balance and income tax losses.

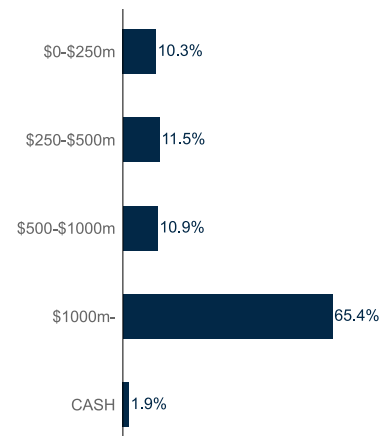
<sup>2</sup> Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

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

### Top 10 Holdings

Company Name	% Portfolio
IRESS Limited	4.9
Healius Limited	4.6
Bega Cheese Limited	4.4
Supply Network Limited	4.4
The Star Entertainment Group Limited	3.7
Magellan Financial Group Limited	3.7
Deterra Royalties Limited	3.0
Breville Group Limited	2.8
GWA Group Limited	2.8
Fletcher Building Limited	2.8
<b>Top 10</b>	<b>36.9</b>

### Market Cap Bands



## Fund Ratings



## Disclaimer

Spheria Emerging Companies Limited (the Company, ASX: SEC) is a listed investment company (LIC) that provides investors with access to an actively managed, Australian and New Zealand small and micro companies portfolio, designed for investors seeking capital growth and portfolio diversification. It is a confined capacity investment strategy that identifies smaller companies where the present value of cash flows can be reasonably determined and they are assessed to be trading at a discount to their intrinsic value. The smaller companies universe is more volatile and higher risk. An experienced investment manager in the small company end of the market is paramount to success, for this reason there are only a small number of listed investment companies offering access to a diversified small companies investment portfolio. Spheria Asset Management Pty Ltd (the Manager, Spheria), is the appointed investment manager and is a specialist team with a track record of navigating the higher risk opportunities at the small end of the market.

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## Contact Us

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