



Spheria Emerging Companies Limited (Company)
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10 September 2024

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 August 2024.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok
Company Secretary

Overall Commentary

The Company performance for the month of August was 0.1% (after fees), outperforming the S&P/ASX Small Ordinaries Accumulation Index by 2.2%.

Equity markets fell aggressively at the start of the month before rebounding strongly. The initial fall came on the back of weaker employment and ISM manufacturing data in the US with the market fearful that maybe the Fed has been too patient in cutting rates to avoid a recession. Inline inflation data and confirmation by the Federal Reserve that they would cut rates in September supported markets through the remainder of the month.

The Australian markets had a softer August (with the Small Ordinaries underperforming the large cap index) as reporting season was in focus for investors. The expectation in Australia is that we are unlikely to see a rate cut this year, but inflation feels past its peaks with several companies noting a moderation of cost pressures.

Supply Network (SNL.ASX), Bega Cheese (BGA.ASX) and Universal Store Holdings (UNI.ASX) were positive contributors over the month. Johns Lyng Group (JLG.ASX), Star Entertainment Group (SGR.ASX) and Iress (IRE.ASX) were notable detractors.

Company Facts

Investment Manager	Spheria Asset Management Pty Limited
ASX Code	SEC
Share Price	\$2.180
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 ¹
Performance Fee	20% (plus GST) of the Portfolio's outperformance ²
Market Capitalisation	\$130.4m

¹ Calculated daily and paid at the end of each month in arrears.

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

Performance as at 31 August 2024

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a ³
Company ¹	0.1%	6.0%	13.9%	0.4%	8.3%	7.0%
Benchmark ²	-2.0%	0.0%	8.5%	-2.9%	3.9%	4.4%
Difference	2.2%	6.0%	5.4%	3.3%	4.4%	2.6%

¹ 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

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

³ 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)¹

Pre-Tax NTA²

2.342

Post-Tax NTA³

2.310

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

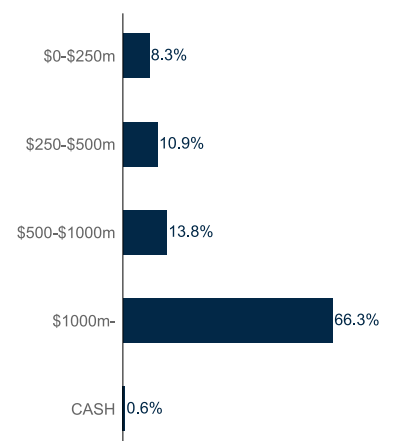
² Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

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

Top 10 Holdings

Company Name	% Portfolio
Supply Network Limited	5.3
Bega Cheese Limited	4.9
Healius Limited	4.7
IRESS Limited	4.4
Breville Group Limited	3.0
Universal Store Holdings Limited	2.9
The Star Entertainment Group Limited	2.9
Technology One Limited	2.8
Deterra Royalties Limited	2.8
Horizon Oil Limited	2.6
Top 10	36.2

Market Cap Bands



Source: Spheria Asset Management

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

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