



Spheria Emerging Companies Limited (Company)
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14 April 2025

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 March 2025.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok
Company Secretary

Overall Commentary

The Company performance for the month of March was -2.4% (after fees), outperforming the S&P/ASX Small Ordinaries Accumulation Index by 1.2%.

Australian equity markets experienced heightened volatility in March. Whilst it is easy to blame certain political figures (the media's narrative) and economic policy, we believe the falls mostly reflect unsustainable valuations which have arisen due to the market crowding into winners and away from losers, at any price. US government spending cuts will hurt the US economy in the short term but could lead to a more sustainable economic footing particularly if tariffs and lower tax rates can incentivise private sector investment in the USA. Where the US economy goes so does the world economy and the market will look ahead to this recovery at some point.

On the other hand, gold prices reached new highs with the materials sector significantly outperforming during the month. Despite no gold exposure in the portfolio, the rotation away from expensive growth stocks has supported performance which is focused on cashflow, balance sheet and valuation.

Over the month the largest contributors were an overweight position in Healius (HLS.ASX, +9%), not owning Zip Co (ZIP.ASX, -35%), and owning NZME (NZM.ASX, +10%). The largest detractors from performance included not owning West African Resources (WAF.ASX, +34%), not owning Genesis Minerals (GMD.ASX, +17%), and not owning Perseus Mining (PRU.ASX, +15%).

Company Facts

Investment Manager	Sphera Asset Management Pty Limited
ASX Code	SEC
Share Price	\$2.330
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 annum¹
Performance Fee	20% (plus GST) of the Portfolio's outperformance²
Market Capitalisation	\$139.4m

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 March 2025

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a.³
Company ¹	-2.4%	2.0%	5.5%	3.1%	16.5%	7.4%
Benchmark ²	-3.6%	-2.0%	-1.3%	-0.8%	10.2%	4.3%
Difference	1.2%	4.0%	6.8%	3.9%	6.2%	3.0%

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

2.417

Post-Tax NTA³

2.356

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

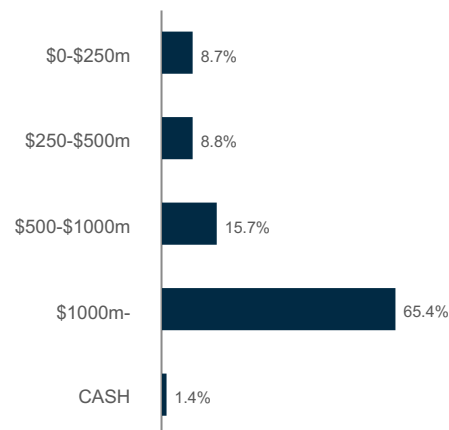
²Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

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

Top 10 Holdings

Company Name	% Portfolio
Supply Network Limited	6.3
Healius Limited	6.0
IRESS Limited	4.7
Fletcher Building Limited	4.4
Deterra Royalties Limited	4.3
Sims Limited	4.1
Domain Holdings Australia Limited	3.4
Bega Cheese Limited	3.2
Technology One Limited	2.9
Universal Store Holdings Limited	2.8
Top 10	42.0

Market Cap Bands



Source: Sphera Asset Management

Fund Ratings



Contact Us

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

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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