



Spheria Emerging Companies Limited (Company)
Level 35, 60 Margaret Street
Sydney NSW 2000

Telephone: 1300 010 311
Email: invest@pinnacleinvestment.com
ACN 621 402 588

14 October 2022

By Electronic Lodgement

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

Spheria Emerging Companies Limited (ASX: SEC) announces quarterly fully franked dividend of 2.1 cents per share

The Board of SEC has resolved to pay a quarterly dividend for the period ended 30 September 2022 of 2.1 cents per share, which will be payable on 3 November 2022. The dividend will be fully franked at the corporate tax rate of 30%.

The payment of the dividend is consistent with the intention to pay dividends on a quarterly basis, at a level of 1% of post-tax NTA at the end of each calendar quarter, subject to available profits, cash flow and franking credits. The quarterly dividend has been calculated based on the Company's post-tax NTA as at 30 September 2022 of \$2.139 per share, multiplied by 1%, giving rise to a fully franked dividend of 2.1 cents. The post-tax NTA was impacted by the fall in markets during the month of September, which in turn led to a small reduction of 0.1 cent in quarterly dividend compared to the previous quarter.

SEC Chairman Mr Jonathan Trollip said: *"We are pleased to announce the September 2022 quarterly dividend of 2.1 cents per share, fully franked. Despite volatile equity markets, the strength of the Company's financials and the dividend yield of the underlying portfolio combine to enable us to continue to pay regular, fully franked income to shareholders at an attractive annualised rate including franking of 5.7%. The DRP will continue to be available for this dividend so that shareholders have the alternative to reinvest their quarterly dividend, or to receive as cash."*

Spheria Asset Management Pty Ltd (Investment Manager of SEC) said: *"It's always hard to be positive when you are sitting in a morass of negativity about markets. However, most great investors have made money betting against a fearful crowd. Over time, it's been proven that it's hard to time markets as we are overly prone to emotion and secondly that there have been few places to invest that have out earned the share market as an asset class."*

Whilst there are many likely negatives, it's worth remembering that we are buying individual businesses with, in some cases, innovative and adaptive management teams who have dealt with challenging environments before. We also need to keep in mind that a lot of the de-rating of reasonable companies has now put many of the companies we own on low to mid-single digit EV/EBIT multiples. Couple this with bullet proof balance sheets, we feel comfortable that returns will reward investors over time.

Finally, there is some evidence that the pent-up inflationary forces we are dealing with could abate somewhat which may ease the rise of longer-term interest rates providing the market with some respite in time."

Please note that shareholders who would like to participate in the DRP for this dividend need to elect to do so by Friday, 21st October 2022.

Shareholders can enrol at: <https://investor.automic.com.au> or alternatively please contact the Company's share registry, Automic, for assistance on 1300 902 587 (in Australia) / +61 2 7208 4521 (International).

Shareholders who would like to find out more about the DRP can visit the Company's [website](#).

Details of the dividend are as follows:

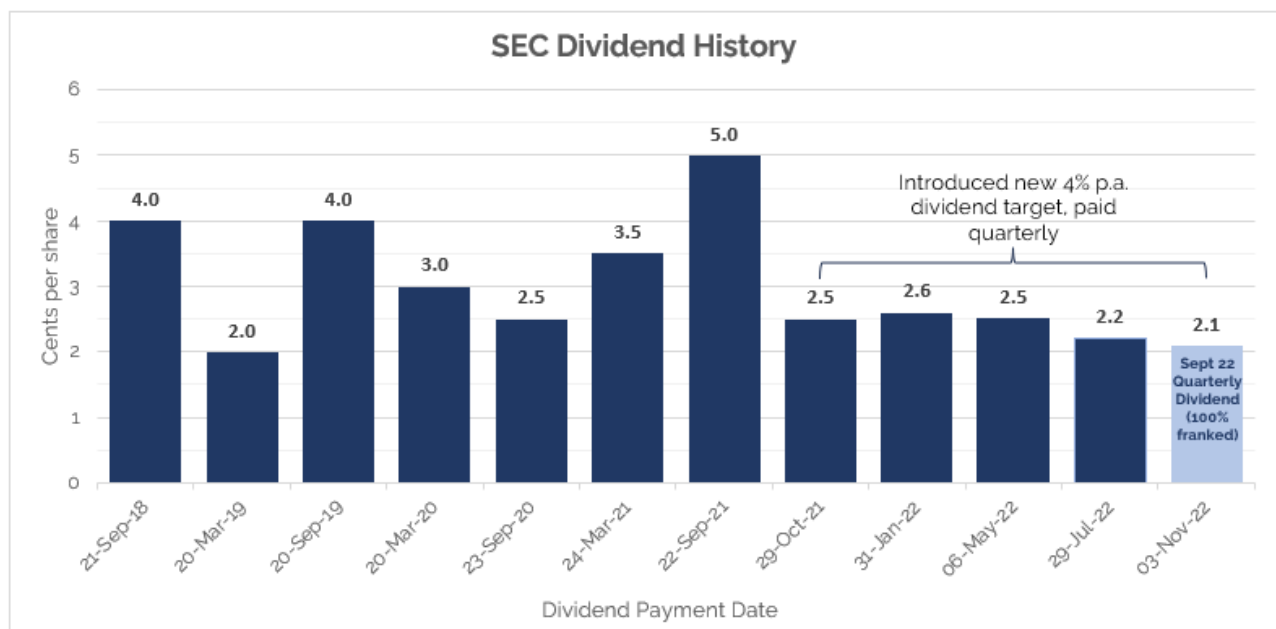
Amount: 2.1 cents per share

Ex – Dividend Date: 19 October 2022

Dividend Record Date: 20 October 2022

Dividend Payment Date: 3 November 2022

The total dividends since the Company's IPO in December 2017 will be 35.9 cents per share after payment of this dividend.



The Board will continue to monitor the Company's dividend policy based on prevailing market conditions.

This announcement was authorised for release by the Board of Directors.