

Overall Commentary

The Company performance for the month of October was -7.3% (after fees), underperforming the S&P/ASX Small Ordinaries Accumulation Index by 1.8%.

A brief rally at the start of the month quickly turned as geopolitical risks intensified with the ongoing war in the middle east creating uncertainty on the possibility of more widespread conflict. Added to this is the ongoing uncertainty around where the interest rate cycle will peak.

Bega Cheese (BGA.ASX), not owning Telix (TLX.ASX) and Ainsworth Game Technology (AGI.ASX) were positive contributors to relative performance. Iress (IRE.ASX), City Chic Collective (CCX.ASX) and Link Administration Holdings (LNK.ASX) were notable detractors.

Company Facts

Investment Manager	Spheria Asset Management Pty Limited
ASX Code	SEC
Share Price	\$1.790
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	\$107.1m

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 October 2023

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a. ³
Company ¹	-7.3%	-14.6%	-8.3%	4.1%	3.7%	3.6%
Benchmark ²	-5.5%	-10.5%	-5.1%	0.5%	2.5%	1.9%
Difference	-1.8%	-4.1%	-3.2%	3.6%	1.2%	1.7%

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

1.888

Post-Tax NTA³

2.011

The NTA values shown above are after the dividend of 2.7 cents per share paid on 6 November 2023. The ex-date of the dividend was 19 October 2023.

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

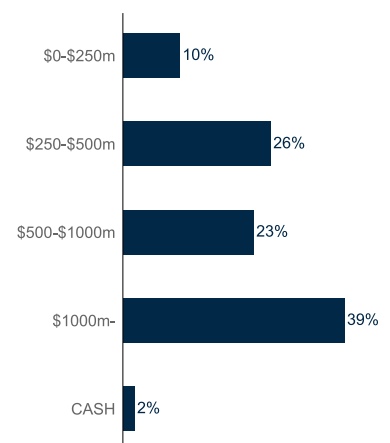
² Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provisions for tax on unrealised gains/losses.

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

Top 10 Holdings

Company Name	% Portfolio
IRESS Limited	4.8
Bega Cheese Limited	4.2
Supply Network Limited	4.0
Adbri Limited	3.9
Link Administration Holdings Limited	3.8
Deterra Royalties Limited	3.7
Vista Group International Limited	3.3
Bravura Solutions Limited	3.1
Insignia Financial Limited	3.1
Breville Group Limited	2.9
Top 10	36.7

Market Cap Bands



Source: Spheria 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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