

Seneca Australian Shares Fund



Monthly Update

As at 28 February 2026

APIR Code : NPW6890AU
ISIN Code : AU60NPW68900

Description

SASF is a relative return fund that aims to outperform the S&P/ASX 200 Acc Index. We will construct a portfolio of 20-40 Australian shares with a focus on high quality businesses trading at fair valuations. Our preference is for growth companies with strong balance sheets, sustainable competitive advantage and large, growing addressable markets.

Trustee & Investment Manager

Trustee

Newport Private Wealth Pty Ltd
ACN 166 931 960
AFSL 451820

Investment Manager

Seneca Financial Solutions Pty Ltd
ACN 610 665 711
AFSL 492686

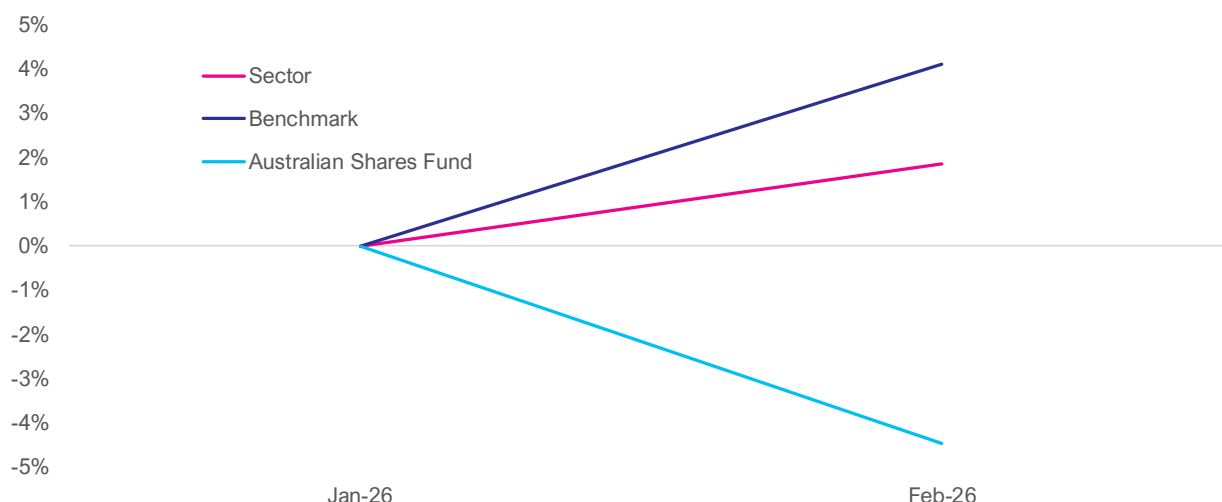
Portfolio Details

| | |
|-----------------------------|-----------------------------|
| Portfolio Managers | Luke Laretive, Ben Richards |
| Inception Date | 31 January 2026 |
| Management Fee | 0.75% p.a. |
| Performance Fee | Nil |
| Benchmark | S&P/ASX 200 Index TR |
| Liquidity | Monthly |
| Min Investment | AUD \$50,000 |
| Time Horizon | At least 5 years |
| Authorised Invest. | ASX listed securities |
| Number of Stocks | 20-40 |
| Cash Allocation | 0-50% |
| Investor Eligibility | Wholesale Investors Only |

Performance

| | 1m | 3m | 6m | 1y | 2y ann. | Incep. ann. | Incep. cum. |
|------------------------|--------|-------|-------|--------|---------|-------------|-------------|
| Australian Shares Fund | -4.48% | - | - | - | - | -4.48% | -4.48% |
| S&P ASX 200 Index | 4.11% | 7.34% | 4.07% | 16.19% | 13.02% | 4.11% | 4.11% |
| Excess return | -8.59% | - | - | - | - | -8.59% | -8.59% |

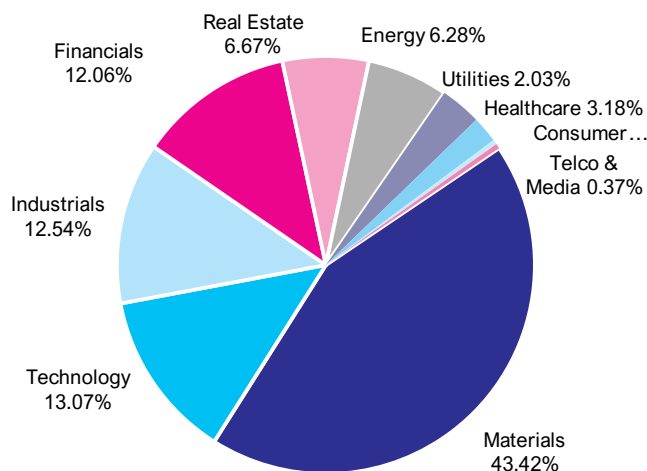
Cumulative Returns (since inception)



Top 5 Holdings (alphabetical)

| | | |
|----------------------------|-----|------------|
| ANZ GROUP HOLDINGS LIMITED | ANZ | Financials |
| AUSTRALIAN FINANCE GROUP | AFG | Financials |
| BHP GROUP LIMITED | BHP | Materials |
| MACQUARIE GROUP LIMITED | MQG | Financials |
| ZIP CO LIMITED | ZIP | Financials |

Sector Allocation (excluding cash)



Portfolio Commentary

The Seneca Australian Shares Fund returned -4.48% in February vs the benchmark return of 4.11%.

At the headline index level, the flight to safety saw large-cap companies outperform, with the top 5 index weights averaging +13.4% returns in February. These 5 companies account for ~30% of the S&P/ASX 200. On an equal weight basis, the benchmark was down -3.69% in February.

February was marked by a volatile reporting season. A sharp sell-off in the technology sector, driven by concerns over AI disruption, escalating geopolitical tensions and a weaker gold price led to broad declines across the index – only 37% of companies from the All Ordinaries were able to generate a positive return with a median gain of only 5.6% vs a median loss of -9.7%.

Contributors and Detractors

Concerns around potential AI-driven disruption weighed heavily on software and technology stocks during February, detracting from our performance. The ASX Technology Index has now declined 43% over the past six months, reflecting a sharp reset in market expectations across the sector.

In our experience, periods of erratic narrative shift, while volatile and marked by broad and indiscriminate selling, have (in hindsight) been exceptional opportunities for active managers. We have approached this environment with discipline, using the dislocation to selectively add to high-quality technology businesses with resilient earnings profiles, durable competitive advantages, and established market positions. We are confident that these companies are well placed to navigate structural change and generate long-term value.

BHP Limited (BHP) made a 15-year high, closing at \$58.41 per share after reporting its February half-year result. The company reported revenue of US\$27.9bn (+11% yoy) and underlying profit of US\$6.2bn (+22% yoy), supported by strong operating performance across its core divisions. Margins expanded to 58% on higher copper prices.

HMC Capital (HMC) sold off following its result as what we see as irrelevant media noise, drove the share price lower. HMC reported assets under management up +4% to \$19.5 billion, and recurring management fees up by +34% to \$84.5 million. HMC's stable of fixed capital listed investment companies is a reliable, predictable and high-quality revenue for HMC, despite this, the company now trades at a ~25% discount to its underlying NTA per share of \$3.21 – the market is now ascribing no value to a funds management business that it valued at ~\$2bn (or \$4.85 per share) only 18 months ago! This is despite the fact the funds under management and reoccurring fee revenue have grown over that 18-month period. HMC remains a text-book example of the kind of dislocation from fundamentals we aim to exploit for our investors.

Outlook

Our portfolio is currently offering some of the highest levels of embedded value we have seen since the fund's inception. Historically, our embedded value metric has been a good indicator of future portfolio returns.

Importantly, this view is shared by the management teams of the companies we invest in. Several portfolio holdings have recently initiated or expanded on-market share buybacks, while others have reported director and insider purchases. These actions signal management confidence in the strength of their businesses and their recognition of the compelling value currently available in their own shares.

We also have strong conviction in our investment process and portfolio positioning. In our assessment, the current environment presents a rare opportunity to generate attractive long-term returns. Reflecting this confidence, both portfolio managers increased their personal investments in the Seneca Australian Small Companies Fund and the Seneca Australian Shares Fund during February and March.

You can do similarly, with applications accepted until the end of the month at [Investor Portal](#) or by contacting the team at info@senecafs.com.au

Invest today from \$100,000

(smaller initial investment amounts can be accepted at trustee's discretion)

For more information call (03) 8639 1600
senecafs.com.au



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