

# Seneca Australian Shares SMA



## Monthly Update

As at 28 February 2026

### Description

An actively managed portfolio of 20-40 Australian shares from inside the S&P/ASX 300 Index.

The manager has a focus on high quality companies trading at fair valuations, using a bottom-up, fundamental approach.

### Top 5 Holdings (alphabetical)

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

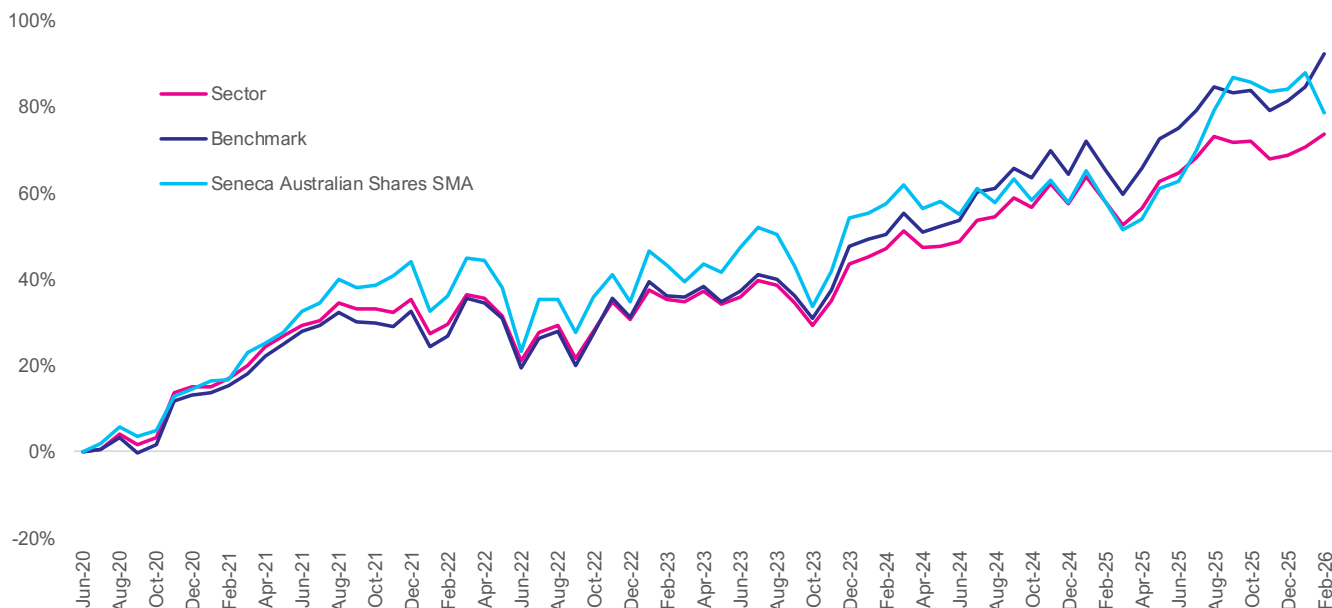
### Portfolio Details

<b>Portfolio Manager</b>	Luke Laretive
<b>Inception Date</b>	16/06/2020
<b>Management Fee</b>	0.45% p.a
<b>Performance Fee</b>	nil
<b>Time Horizon</b>	At least 5 years
<b>Authorised Invest.</b>	S&P/ASX 300
<b>Platform Avail</b>	Praemium
<b>Portfolio Yield (net)</b>	2.78%
<b>Liquidity</b>	Daily
<b>Number of Stocks</b>	20-50
<b>Cash Allocation</b>	0-10%
<b>Min Investment</b>	AUD \$25,000

### Performance (before fees)

	1m	3m	6m	1y	2y ann.	3y ann.	Incep. ann.
Seneca Australian Shares SMA	-4.96%	-2.72%	-0.26%	13.07%	6.49%	7.64%	10.91%
S&P/ASX 200 Accumulation Index	4.11%	7.34%	4.07%	16.19%	13.02%	12.22%	12.02%
Excess return	-9.07%	-10.06%	-4.33%	-3.11%	-6.53%	-4.58%	-1.11%

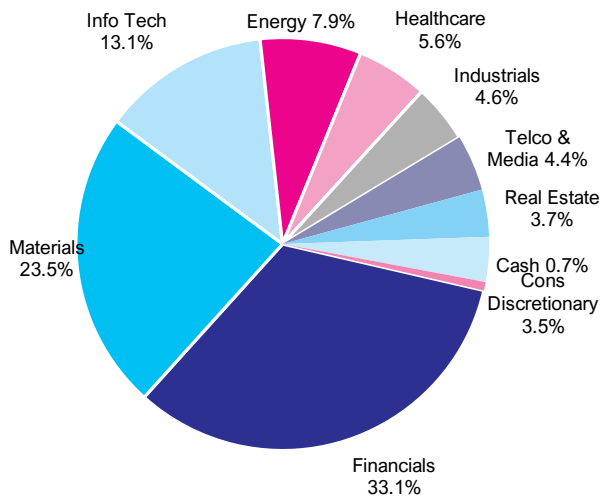
### Cumulative Returns (since inception)



Peer Group = FE Fundinfo ACS Equity Australia managed fund sector

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## Sector Allocation



## Portfolio Commentary

The Seneca Australian Shares SMA returned -4.96% in February vs the benchmark return of 4.11%. Since its inception in 2020, the fund has returned 10.91% p.a.

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.

Benefits of a SMA	SMA	Managed Fund	Direct Shares
Professionally Managed	✓	✓	✗
Dividends & franking paid directly	✓	✗	✓
Full transparency on holdings	✓	✗	✓
Individualised Tax	✓	✗	✓
Gearing available	✓	✓	✓

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](mailto:info@senecafs.com.au)

**Invest today from \$25,000**  
**For more information call (03) 8639 1600**

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