

Seneca Australian Small Companies Fund

APIR Code : NPW8333AU
ISIN Code : AU60NPW83339

Description

A portfolio of 20-50 sufficiently liquid, small and mid-cap ASX-listed companies, with a preference for high quality, profitable and growth focused businesses.

The fund is long-only, will not utilise any derivatives or leverage and will be able to hold up to 50% cash at the discretion of the manager.

Trustee & Investment Manager

Trustee
Newport Private Wealth Pty Ltd
ACN 166 931 960 | AFSL 45182

Investment Manager
Seneca Financial Solutions Pty Ltd
ACN 610 665 711 | AFSL 492686

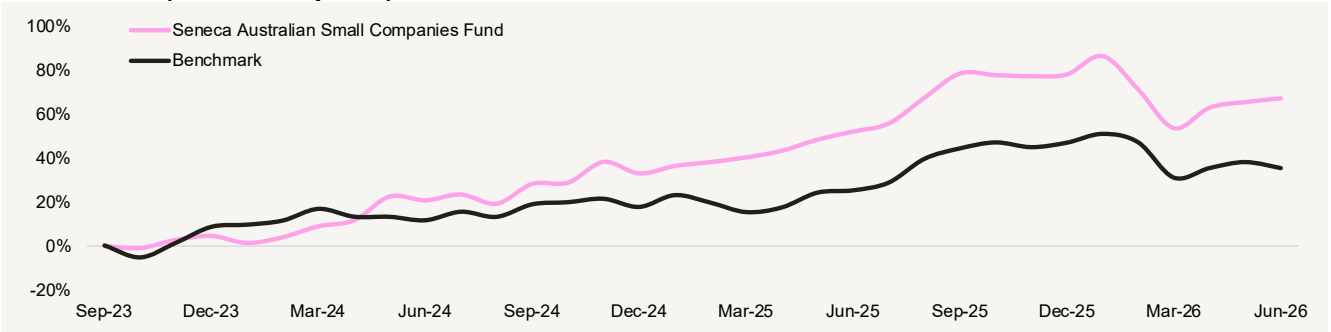
Portfolio Details

Portfolio Managers	Luke Laretive, Ben Richards
Inception Date	4 October 2023
Management Fee	0.00% p.a
Performance Fee	20%
Hurdle Rate	RBA Cash
High Watermark	Yes
Benchmark	S&P/ASX Small Ordinaries Index TR
Minimum Investment	\$100,000
Liquidity	Monthly
Time Horizon	At least 5 years
Authorised Investments	ASX-listed securities
Number of Companies	20 to 50
Cash Allocation	0 to 50%
Investor Eligibility	Wholesale Investors Only

Performance

	1m	3m	6m	1y	2y ann.	Incep. ann.	Incep. cum.
Australian Small Companies Fund	1.03%	8.82%	-6.12%	9.94%	17.65%	20.60%	67.30%
Benchmark	-2.00%	3.32%	-7.91%	8.11%	10.16%	11.64%	35.32%
Excess return	3.03%	5.50%	1.79%	1.83%	7.49%	8.96%	31.98%

Returns (since inception)

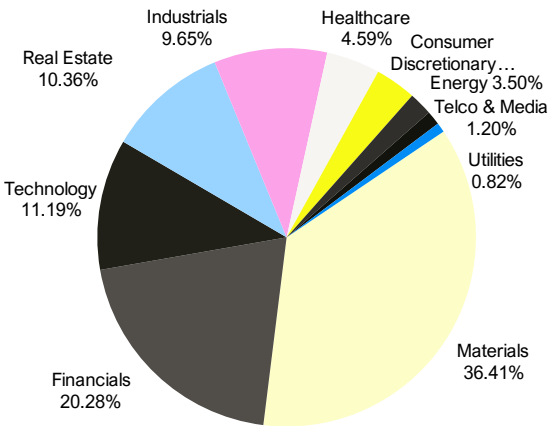


Please refer to important disclaimers on the final page

Top 5 Holdings (alphabetical)

ANTIPA MINERALS LIMITED	AZY	Materials
AUSTRALIAN FINANCE GROUP LTD	AFG	Financials
HMC CAPITAL LIMITED	HMC	Real Estate
REGAL PARTNERS LIMITED	RPL	Financials
XRF SCIENTIFIC LIMITED	XRF	Industrials

Sector Allocation (excl. cash)



Portfolio Commentary

The Seneca Australian Small Companies fund returned 1.03% in June after fees, outperforming the benchmark by +3.03%, as it declined -2.00% during the month. For the financial year ending 30 June 2026, we delivered 9.94% returns, outperforming the benchmark by +1.83%.

Our analysis of the Lonsec peer group showed the median active manager’s portfolio returned 4.91% during FY26 and underperformed the S&P/ASX Small Ordinaries Index by -3.20%.

Since inception, the fund has returned 20.60% p.a, outperforming the benchmark by +8.96% p.a after fees.

The S&P/ASX Small Ordinaries Index fell 2% in June, underperforming its large cap peers (the S&P/ASX 20 rose 0.91%). Silver, Oil and Bitcoin declined more than 20% while Gold fell 12% and Iron Ore dropped 8% - these underlying commodity prices moves were responsible for the underperformance of the Small Resources Index (XSR, down -13.4%), relative to the rest of the market (XSI, up 3.9%). Software and technology companies saw the strongest returns, while defense, energy and gold names were heavily sold off.

Contributors and Detractors

As foreshadowed last month, Venus Metals (VMC) entered a trading halt on the last day of May before announcing a significant royalty transaction with Franco-Nevada. The shares traded up 30% during the month of June and were our largest contributor to returns. We have outlined our thesis and investment case previously ([linked here](#)).

Long time portfolio position Euroz Hartleys (EZL) was effectively acquired by the Bank of Montreal (BMO) with the Perth based broker selling its primary capital markets and research capability, while retaining its private wealth business, in partnership with BMO. While the total internal rate of return on this investment remains uncertain for us –

we expect significant capital returns, both from sale proceeds, balance sheet capital release and the usual dividends.

Our recently established positions in technology names paid off for unitholders in June – with 15 to 50% gains across businesses spanning payments, health-tech, B2C and B2B-software.

We also purchased some of the worst performing stocks of FY26 in June, seeking to take advantage of retail investors keen to realise tax losses at any seemingly price. These positions saw gains of between 15 and 20% and have continued to outperform in July so far.

While we have reduced our gold exposure dramatically over the past 6 months, the handful of positions we do hold performed poorly in June. Antipa Minerals (AZY) fell 15%.

We remain active in pursuing the best opportunities for our unit holders. In June, we initiated six new company positions while removing four companies from the portfolio.

Outlook

Despite superior fundamentals, Australian small companies are trading at generational discounts to their large cap counterparts. If history is our guide, this gap will close rapidly, and we would expect this environment to be favourable for our strategy and generating further above-index returns.

While geopolitical conflict and the rhetoric around the Strait of Hormuz reopening continues to dominate headlines, investors continue to neglect the improving underlying fundamentals across most of our portfolio holdings.

Corporates, are awake to these pricing dynamics and M&A activity is beginning to accelerate – many of our portfolio companies look vulnerable to takeovers from larger, cashed-up, acquisitive peers.

Seneca

Past performance is no indicator of future performance. Long term performance returns show the potential volatility of returns over time. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially.

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