| Monthly Update | August 2026 |
|---|---|

Seneca

# Seneca Australian Shares SMA

## 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. Our preference is for growth companies with strong balance sheets, sustainable competitive advantage and large, growing addressable markets.

## Top 5 Holdings (alphabetical)

| | | |
|---|---|---|
| ANZ GROUP HOLDINGS LIMITED | ANZ | Financials |
| BHP GROUP LIMITED | BHP | Materials |
| HMC CAPITAL LIMITED | HMC | Financials |
| STANMORE RESOURCES LIMITED | SMR | Materials |
| WESTGOLD RESOURCES LIMITED | WGX | Materials |

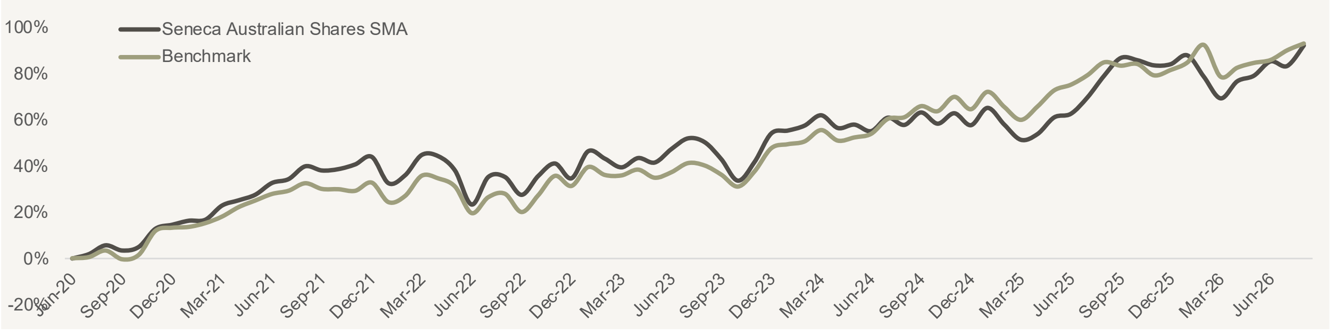
## Portfolio Details

| | |
|---|---|
| **Portfolio Managers** | Luke Laretive, Ben Richards |
| **Inception Date** | 16 June 2020 |
| **Management Fee** | 0.45% p.a |
| **Performance Fee** | Nil |
| **Benchmark** | S&P/ASX 200 Index TR |
| **Minimum Investment** | $25,000 |
| **Liquidity** | Daily |
| **Time Horizon** | At least 5 years |
| **Platform Availability** | Praemium SMA<br>Praemium Super |
| **Authorised Investments** | S&P/ASX 300 securities |
| **Number of Companies** | 20 to 40 |
| **Cash Allocation** | 0 to 10% |

## Performance

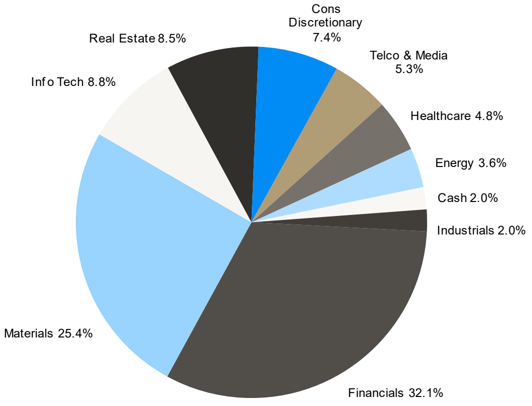
| | 1m | 3m | 6m | 1y | 2y ann. | 3y ann. | Incep. ann. |
|---|---|---|---|---|---|---|---|
| Seneca Australian Shares SMA | 4.84% | 7.31% | 7.61% | 7.33% | 10.36% | 8.53% | 11.29% |
| Benchmark | 1.54% | 4.54% | 0.32% | 4.40% | 9.45% | 11.24% | 11.05% |
| Excess return | 3.29% | 2.77% | 7.28% | 2.92% | 0.91% | -2.70% | 0.24% |

## Returns (since inception)




Please refer to important disclaimers on the final page

## Sector Allocation




## Benefits of a SMA

| | SMA | Managed Fund | Direct Shares |
|---|---|---|---|
| **Professional Management** | ✓ | ✓ | × |
| **Dividends and franking paid directly** | ✓ | × | ✓ |
| **Full transparency on holdings** | ✓ | × | ✓ |
| **Individualised tax** | ✓ | × | ✓ |
| **Gearing available** | ✓ | ✓ | ✓ |

### Portfolio Commentary

The Seneca Australian Shares SMA returned +4.84% in August after fees, compared with the benchmark return of 1.54%. Australian equities moved higher through reporting season, although performance beneath the headline index was highly dispersed.

Australian equities moved higher through August, with resources outperforming financials as stronger commodity markets supported the miners. Gold equities were particularly strong, while reporting season was broadly resilient despite elevated interest rates and a softer domestic consumer.

Small caps also materially outperformed large caps, which was supportive given the Fund's overweight exposure to small and mid-cap companies relative to the ASX20, where we continue to see fuller valuations and a lower growth outlook. Against this backdrop, bottom-up stock selection and a number of company-specific catalysts also contributed positively to Fund performance.

### Contributors and Detractors

HMC rallied ~16% following its FY26 result as investors focused on improving earnings quality, with recurring funds management revenue up 22% and fee-generating AUM up 15% to $16.9bn. The bigger catalyst was the outlook: HMC guided to >30% recurring funds management revenue growth in FY27, alongside a 25% increase in the dividend to 15cps, reinforcing confidence that earnings growth is reaccelerating after a difficult period. We see various green shoots emerging as our thesis begins to play out.

The gold price rallied 10% during the month, spurred on by the US treasury doubling its buybacks of long-dated government bonds, reigniting the debasement trade. The Fund's gold holdings were among the strongest contributors during August. Vault Minerals (VAU) traded strongly following a takeover offer from Genesis Minerals (GMD). Westgold Resources (WGX) also performed strongly, supported by the higher gold price and an impressive FY26 result, which included record production, underlying EBITDA of $1.1 billion and strong cash generation.

Resources exposure more broadly added value. BHP (BHP) gained approximately 10% during August after delivering record iron ore production, around 2Mt of copper production and a strong FY26 financial result, with underlying EBITDA increasing 27%. Stanmore Resources (SMR) also contributed as improving metallurgical coal pricing and a stronger first-half operating performance supported sentiment toward the stock.

Outside resources, REA Group (REA) contributed following another solid result that demonstrated the strength of its core Australian franchise. Core NPAT increased 15%, EBITDA rose 12% and free cash flow increased 17%, despite relatively subdued property listing volumes.

During the month, the fund took profits in Viva Energy (VEA), following a period of elevated refining margins amidst the Middle East conflict, and Neuren Pharmaceuticals (NEU), which rallied on the back of an EU drug approval. We used the proceeds to initiate two new positions, which we expect to add to over time.

### Outlook

With reporting season now largely complete, we continue to actively manage the portfolio towards areas where we see the best combination of growth, valuation and company-specific catalysts. The broadening in market leadership remains constructive for the Fund, particularly given our overweight exposure to small and mid-cap companies, where we continue to see more attractive opportunities.

We continue to favour businesses with identifiable earnings growth and strong balance sheets, alongside selective exposure to commodities where fundamentals remain supportive. The recent acceleration in corporate activity is also highlighting the strategic value embedded across parts of the Australian market. We believe the combination of valuation dispersion and company-specific catalysts provides a supportive backdrop for active stock selection.

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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 Model Portfolio and the value of an investment may fall suddenly and substantially.

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