

Seneca Global Equity SMA



Monthly Update

As at 29 February 2024

Description

An actively-managed, diversified portfolio of global equities managers. The portfolio is weighted entirely toward growth type asset classes with zero exposure to defensive asset classes. Asset allocation is strategic and reviewed on a quarterly basis with tactical tilts made to take advantage of opportunities in specific regions, different manager styles and across currencies. Manager selection is driven by quantitative factors and internal and external research.

Top 5 Holdings (alphabetical)

AORIS INTERNATIONAL FUND D	Global Large Cap
FAIRLIGHT GLOBAL SMALL & MID	Global Small/Mid Cap
FIDELITY ASIA	Global Emerging Markets
GQG PARTNERS EMERGING	Global Emerging Markets
GQG PARTNERS GLOBAL EQUITY	Global Large Cap

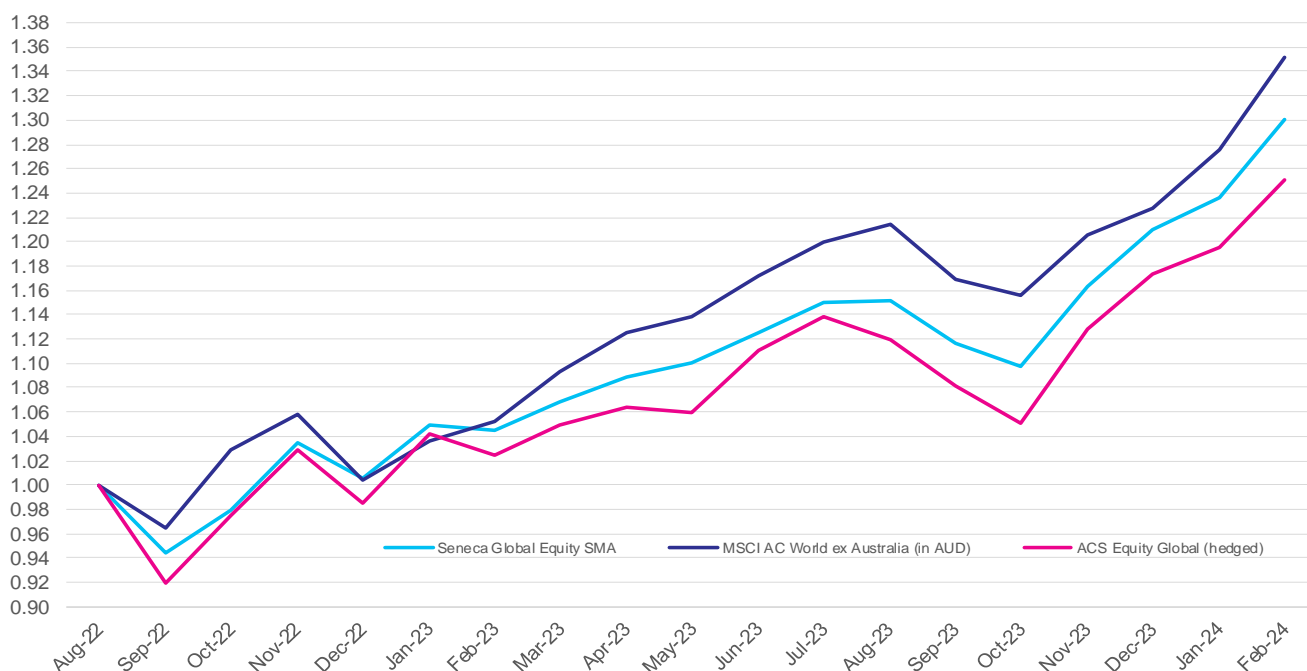
Portfolio Details

Portfolio Manager	Seneca IC
Inception Date	16/08/2022
Management Fee	0.20% pa
Performance Fee	nil
Time Horizon	At least 5 years
Platform Avail	Praemium
Portfolio Yield (net)	1.57%
Benchmark	MSCI AC World Ex-Australia (AUD)
Liquidity	Daily
# of holdings	4 to 8
Cash Allocation	0-10%
Min Investment	AUD \$50,000

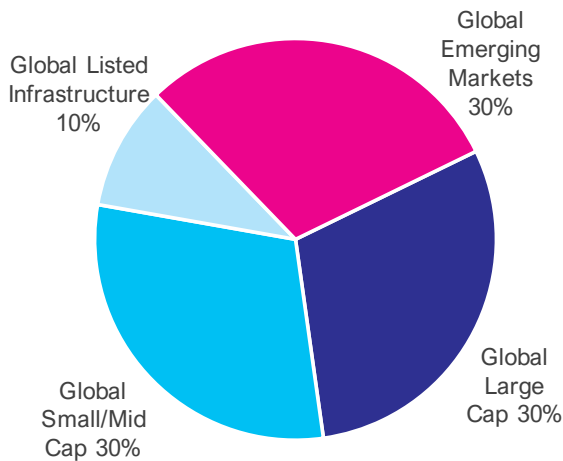
Performance (before fees)

	1m	3m	6m	1y	2y (p.a)	3y (p.a)	Inception (p.a)
Seneca Global Equity SMA	5.27%	11.87%	13.04%	24.48%	-	-	14.89%
Benchmark	6.00%	12.08%	11.32%	28.48%	12.79%	13.72%	18.03%
Excess return	-0.73%	-0.21%	1.72%	-4.00%	-	-	-3.14%

Cumulative Returns (since inception)



Target Sector Allocation



Portfolio Commentary

The model returned +5.27% in February; 54bps ahead of the fund sector/peer group and 73bps behind the MSCI All Country World Index ex Australia (hedged) Index. All managers in the portfolio contributed positively; GQG Global Equity leading the way with an impressive +12.12%. The same manager's global emerging markets equity strategy also did well, returning +7.10%. Fidelity Asia produced +6.62% on the back of improved sentiment in China. After a relatively strong 3 months, Lazard Global Infrastructure took a breather, returning +0.69%

Market Commentary

The global benchmark (MSCI All World Index) was again up in February, adding 3.12% in USD terms.

Japan was the top performing region AGAIN, adding a further 6.43% to January's +8.43%. The Japanese Yen depreciated against the USD by a further 1.65%.

Latin America (-0.76%) was the worst-performing major market.

On the local exchange, the S&P/ASX 200 was up 0.79% led by Technology companies. The top performers included Altium (ALU, +30%) which received a takeover bid from Renesas and Lovisa Holdings (LOV, +41%) on a strong 1H result.

The worst-performing companies in February were Strike Energy (STX, -50%), Corporate Travel Limited

Benefits of a SMA

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

(CTD, -22%), Healius (HLS, -20%) and Neuren Pharma (NEU, -18%).

The Australian Dollar depreciated 1.06% against the US Dollar during the month, to close the month at US\$0.6498.

Outlook

The RBA and the US Federal Reserve continue to perform a modern economic miracle – accelerating GDP growth, declining inflation and full employment. While we think unemployment may rise to c. 5% over the next 12 months, this is supportive of our 'peak interest rates' thesis.

Commodity prices are also assisting the RBA with the price of iron ore declining 11.65% during the month of February.

The Australian 10-year bond yields continued to moderate during February and the first two weeks of March, with a yield of 3.96% at the time of writing. Declining yields are supportive of continued growth across our Aggressive and Defensive Income Portfolios.

After reviewing the vast majority of company 1H'24 reports during February, we remain highly constructive on Australian Equities across both large-cap and especially, small-cap investment universes.

There is also a significant opportunity in Emerging Markets, where valuations are at multi-year lows. We are overweight in the Global Equity SMA.

Invest today from \$50,000
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