

# Seneca Australian Small Companies Fund



Monthly Update  
As at 30 June 2024

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 451820

### Investment Manager

Seneca Financial Solutions Pty Ltd  
ACN 610 665 711  
AFSL 492686

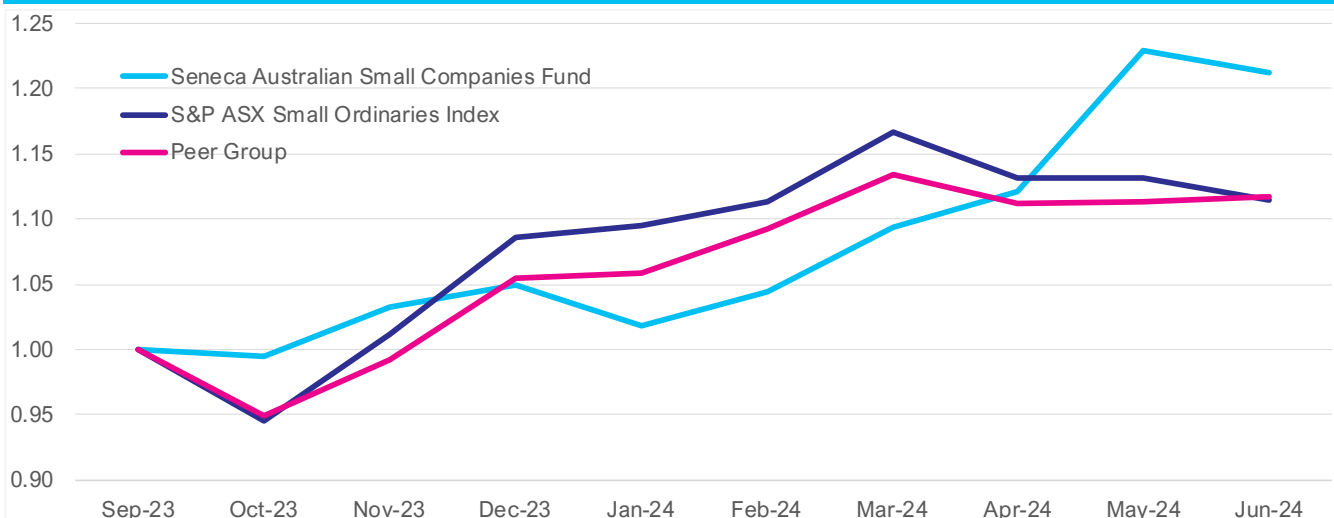
## Portfolio Details

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

## Performance

	1m	3m	6m	1y	2y (p.a)	3y (p.a)	Since Incep
<b>Australian Small Companies Fund</b>	-1.42%	10.83%	15.50%	-	-	-	21.22%
S&P ASX Small Ordinaries Index	-1.39%	-4.46%	2.75%	-	-	-	11.50%
<b>Excess return</b>	<b>-0.03%</b>	<b>15.29%</b>	<b>12.75%</b>	-	-	-	<b>9.72%</b>

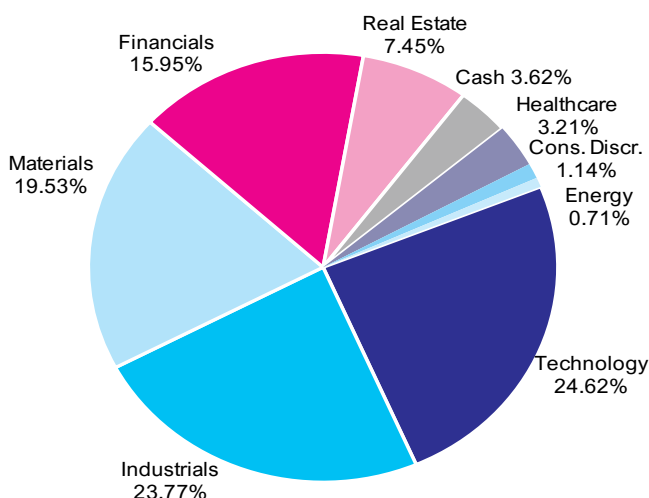
## Cumulative Returns (since inception)



## Top 5 Holdings (alphabetical)

GLOBAL DATA CENTRE GROUP	GDC	Technology
GQG PARTNERS INC.	GQG	Financials
IMDEX LIMITED	IMD	Materials
RED HILL MINERALS	RHI	Materials
RPMGLOBAL HOLDINGS	RUL	Technology

## Sector Allocation



## Monthly Commentary

The Seneca Australian Small Companies fund declined by -1.42%, in line with the benchmark -1.39%, a fractional underperformance of -0.02% for the month, after fees. Since inception (9 months) has generated a 21.22% return, almost 10% ahead of the benchmark.

Small caps underperformed large caps in June, with the big 4 banks continuing to stretch into record valuations. Financials were also among the best performing small caps with Zip Co (ZIP) and Tyro Payments (TYR) among the top performers during the month.

Gold, Lithium and Uranium were key detractors from the returns in the smaller end of the market, with online luxury drop-shipper, Cettire (CTT) the worst-performing company, falling 50% during June.

We initiated two new positions during the month, adding Catapult (CAT) and Karoon Gas (KAR) to the portfolio.

### Contributors and Detractors

Energy trading software platform EnergyOne (EOL) jumped 16% in June after it raised \$4m to pay down and rollover a debt facility with NAB. As part of the news, it also reiterated guidance for profitability.

Stanmore Resources (SMR) jumped over 8% on met coal prices.

Fund manager GQG Partners (GQG) continues to report strong fund inflows and shareholders were rewarded, with an 8% share price gain.

The primary detractors for the month were Pointsbet (PBH) drifter lower -7% on no news. AIC Mines (A1M)

declined 19% on a pullback in the copper price and Noble Oak Insurance (NOL) fell 8.6% on no news.

### Outlook

We continue to see value in small industrial companies, where earnings have been more resilient than consensus estimates. We expect the resilience and quality of our portfolio to shine through in the upcoming August report season. July is off to a good start.

Resources and mining companies remain broadly out of favour, but with catalysts on the horizon for several of our holdings, the risk/reward has rarely been more attractive. Higher-for-longer commodity prices are supportive of the earnings at our mining services and mining-adjacent industrial companies.

## **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](http://senecafs.com.au)**



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