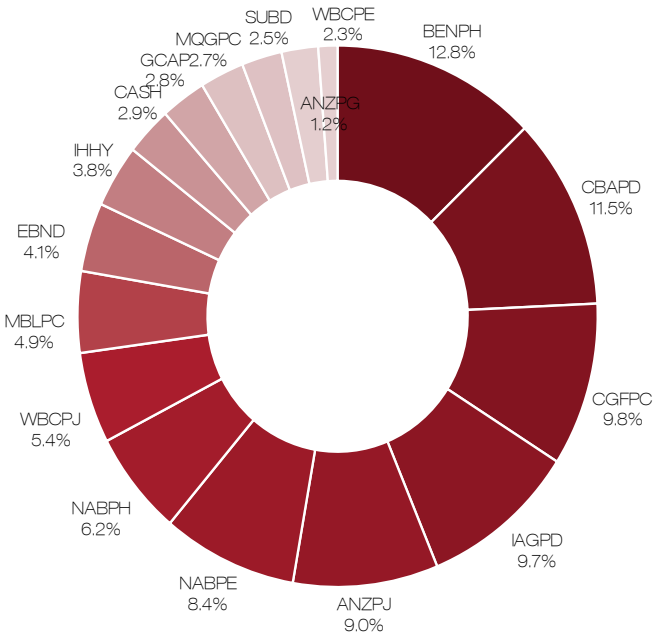
Endeavor Enhanced Yield Portfolio

August 2022 Summary



Portfolio Strategy

This income strategy is designed for clients who want a better return than term deposits and cash while also having at-call access to their funds. It suits a conservative risk profile. The strategy invests in hybrids issued by investment-grade Australian financial institutions. There is also an allocation to bonds, both Australian and international including sub-investment grade. The strategy targets a return of the RBA cash rate + 2.5 - 3.5%.

Portfolio Charachteristics

Inception Date	2/09/2019
Benchmark	RBA Cash Rate
Weighted Avg. Maturity	2.13
Return Since Inception	2.5% p.a.
Benchmark Return Since Incep.	0.4% p.a.

Weighted Average Maturity is the length of time until the average security in the fund will mature or be redeemed by its issuer. It indicates a fixed income fund's sensitivity to interest rate changes. Longer average weighted maturity implies greater volatility in response to interest rate changes. This metric considers the likelihood that bonds will be called or prepaid.

It's great to follow July's strong gains with another positive month of 0.36%. Our yield market continued to be bought / sought after by investors as the underlying yield on the securities continued to rise thanks to increases in the RBA cash rate, which flowed through to BBSW and ultimately to the coupons we receive each time our issue's role.

As at September 6, the cash rate went up to 2.35% with 90 day BBSW around 2.55%. The all-important dialogue that accompanied the rate rise talked of more rises albeit the size and number maybe less than once was feared (by borrowers – not investors like us!).

It's also important to note and remember that with our performance tied to BBSW, as we invest almost exclusively in floating rate securities, that the All Maturities Bond Index returned negative 2.5% in August. That tells us that the market still thinks inflation is a problem and that cash and BBSW rates may need to go much higher still to tame the dragon.

Please call with any questions or questions.

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*Note: Performance of the strategy group is representative of individual client portfolios, although performance can differ due to inherent differences between clients' portfolios such as initial entry timing, legacy holdings or requested stock exclusions. Performance measured is after fees, taxes and franking credits.