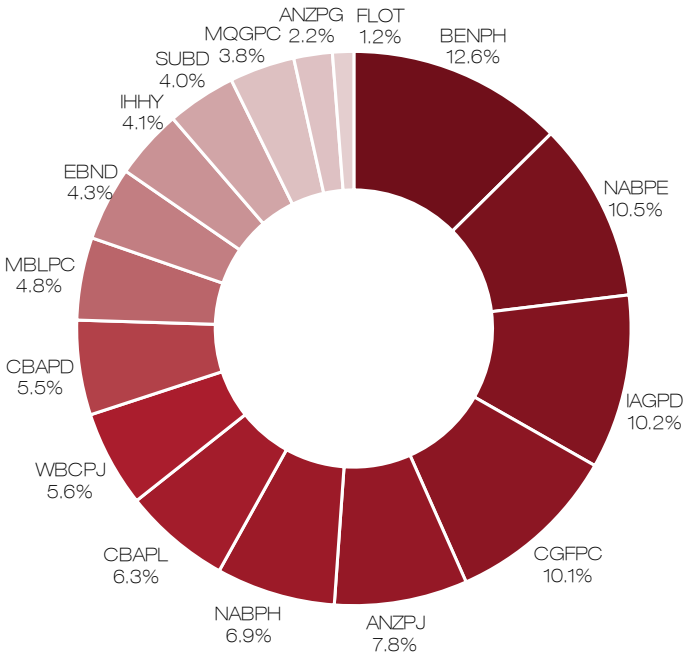
Endeavor Asset Management

Enhanced Yield

November 2022



Portfolio Strategy

This income Strategy is designed for clients who want a better return than term deposits and cash while also have 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 Characteristics

Inception Date	2/09/2019
Benchmark	RBA Cash Rate
Weighted Avg. Maturity	2.16
Return Since Inception	2.9% p.a.
Benchmark Return Since Incp.	0.6% 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

In October I mentioned 2 steps forward and one step back, well we got our forward steps again but this time it felt like 3 steps forward with a monthly return of 1.75%. A great month no doubt and fair reward for being in an asset class that's going to perform over the medium-term period as cash rates continue to rise.

Speaking of which the RBA did put cash rates up again to 2.85% in November. That rewards us, penalises borrowers and hopefully begins to put the brakes on inflation. Using the cash rate is a blunt instrument but against the realities of energy prices etc it's all the RBA has to stop inflation. More rises are on the way and this will continue to support our returns.

The equity market also had a good month, and this positive sentiment can and does feed into hybrid and bond prices sometimes. Portfolio wise we took some profits on our long-dated holdings and sold out of our small European hybrid ETF. December has started well already. Have a great and safe Xmas holiday period and thank you for your trust and support.

Any questions or thoughts please give me a call.

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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.