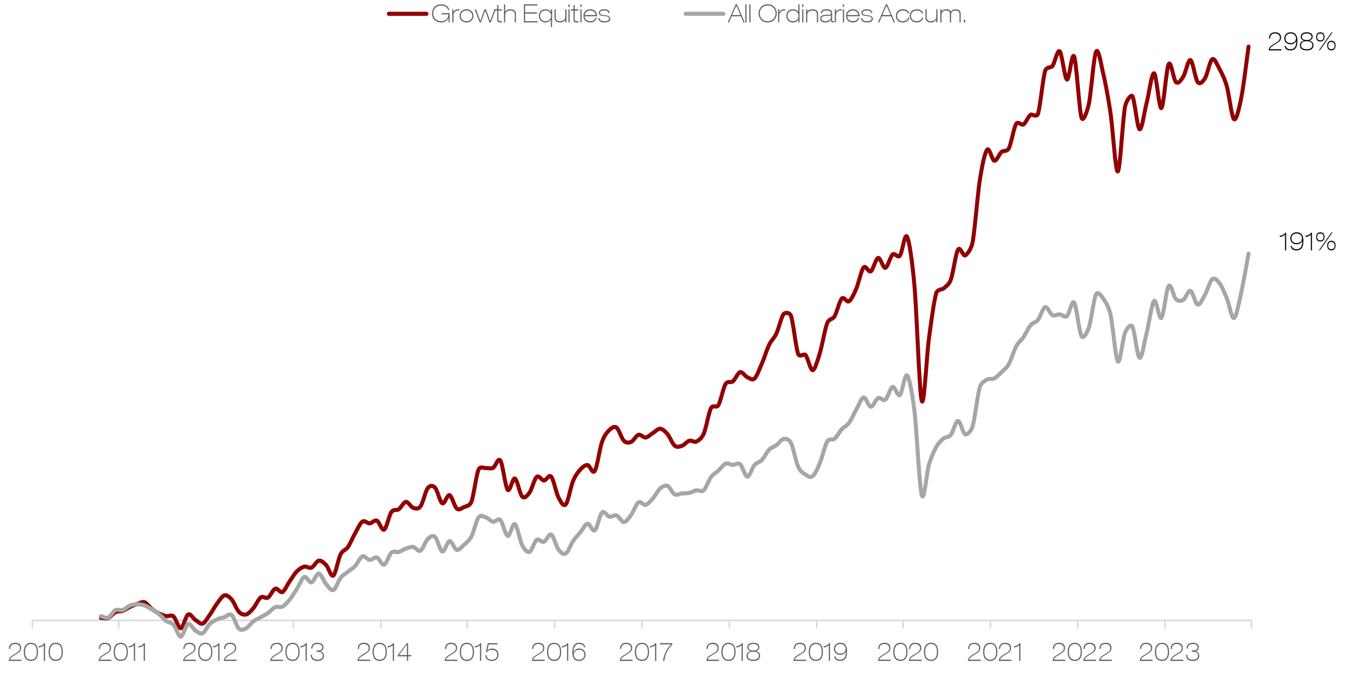
Endeavor Asset Management
Growth Equities
December 2023

Performance*	Month	Quarter	One Yr	2 Yr pa.	3 Yr pa.	5 Yr pa.	10 Yr pa.	12 Yr pa.	Inception
Growth Equities	7.1%	5.4%	8.7%	0.7%	4.9%	11.6%	10.1%	12.3%	298%
All Ordinaries Accum.	7.4%	8.7%	13.0%	4.7%	8.9%	10.7%	8.2%	9.9%	191%
Outperformance	-0.3%	-3.2%	-4.3%	-4.0%	-4.0%	0.9%	2.0%	2.4%	107%



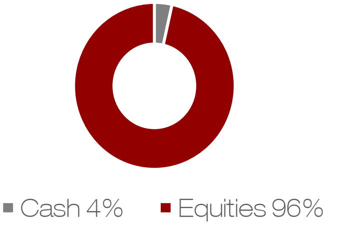
Top Contibutors

Solvar Limited
BHP Group Limited
Polynovo Limited
Zip Co Ltd
Mineral Resources.

Top Holdings ASX 200

BHP Group Limited
Mineral Resources.
Worley Limited
ANZ Banking Grp Ltd
Xero Ltd

Cash Weighting



Bottom Contibutors

Telix Pharmaceuticals Limited
Synertec Corp
Life360 Inc.
Beach Energy

Ex 200

Polynovo Limited
Imdex Limited
Solvar Limited
Chrysos Corporation Ltd
Zip Co Ltd

Portfolio Characteristics

Moderate/High Risk
75% ASX200 Limit
25% Ex200 Limit
20-35 ASX Listed Equities
Unconstrained Cash

*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. Monthly performance figures include an accrual for fees charged quarterly.

Portfolio Commentary

The Growth Equities Portfolio returned +7.1% in December. compared to the All Ordinaries Accumulation Index's ("the Benchmark") +7.4% gain, which was its best monthly return in three years.

For the last ten years, the portfolio has returned 10.1% p.a. after fees, compared to the All Ordinaries Accumulation Index's 8.2% p.a. The portfolio has returned 298% (11.0% p.a.) since inception, compared to the Benchmark's 191% (8.4% p.a.)

The Market

The market defied gravity in 2023. Even with an aggressive increase in interest rates, the economy remained resilient. Now, there's growing optimism for a soft landing, thanks to declining inflation expectations and economists predicting interest rate cuts abroad and at home.

This momentum continued into December, with almost all sectors rallying, led by Real Estate surging 11.3% and Healthcare increasing 9.1%. These sectors benefited from the continued rotation towards oversold sectors. Utilities were the worst performing sector with a 1.5% increase.

As negative expectations unwound, economic data reinforced the soft landing narrative, boosting both earnings expectations and valuations across the board.

The Portfolio

Diversified mining operator **Mineral Resources (MIN) was a top contributor to performance in December**, driven by a 5% increase in iron ore prices. Not only does this bode well for the company's current iron ore operations, but it also lifts the spot DCF valuation of the Ashburton operation which is set for first shipment of iron ore on 8th June.

Chris Ellison, CEO, noted the engineering and construction segment to be the Company's 'secret weapon'. The Company's in-house engineering team have been on the front foot on the move to a new frontier in mining methodologies. This innovation has progressed to delivery of tangible assets, such as the world's first fully autonomous road train that was tested at the Ashburton project in December. **On a per kilometre basis this machinery along with the private haul road are anticipated to see trucking costs that are 60% lower than standard.** Additionally, the project's resort-style accommodation pods saw their first occupants arrive.

The project's unique aspects, though subtle, show management's commitment to gaining an edge in a competitive labour market. MIN is one of our largest positions, and the share price rallied 14% in December.

In December we started buying ZIP Co (ZIP) at $0.41/sh following our internal research and a meeting with management and analysts. We had previously viewed ZIP as an overvalued, low quality business reliant on low interest rates. But things have changed. **Over the past two years management have refocused on profitable growth by exiting non-core markets. They have launched new products, reduced operational expenses and improved unit economics.** They have announced cash profitability and are expected to grow earnings strongly.

During this turnaround period the ZIP share price declined 98% (not a typo!) from a staggering ~$9b market cap. We received an average entry price of $0.47/sh or ~$436m market cap. Our valuation target is significantly higher, but we'll keep this target confidential for now. The stock closed the month up 35% on our entry price and was a top contributor to performance.

Solvar (SVR) is a holding that we have highlighted often in the newsletters over the past two years. The share price has been under pressure, mainly due to recession fears, which has impacted our returns. We now believe the worst is behind them. Last month we mentioned that we recently averaged down at $1.03/sh, "the company represents deep value" and that "we are being paid a >12% fully franked dividend to be patient". In December, the share price rallied 26% to close at $1.32/sh. It was a top contributor to performance.

While we expect a softer year for Solvar, **it is still trading below NTA, expected to generate >$25m NPAT this year, will pay a healthy dividend, and should directly benefit from the RBA no longer increasing interest rates**. We continue to hold.

Entries and Exits

In December we added Westpac, Lifestyle Communities and Zip Co to the portfolio. We increased our weighting in Mineral Resources and Solvar on weakness.

We took profits in Wesfarmers and CSR during the month. We also exited Beach Energy and Telstra based on valuation.

Cash weightings increased slightly from 2.8% to 3.5%.

Outlook

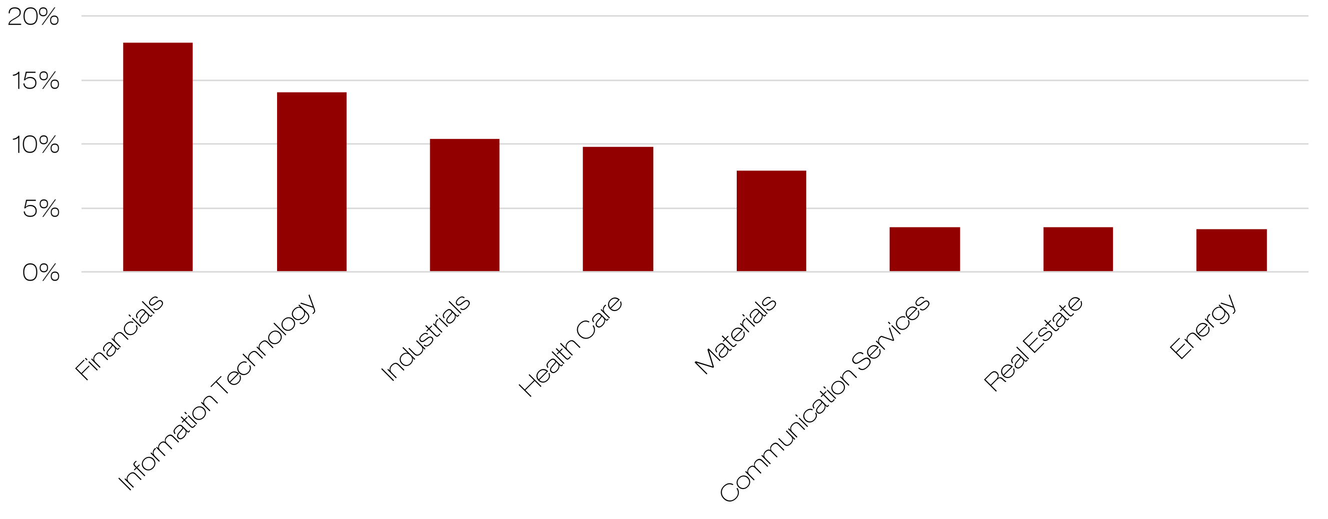
We expect volatility in 2024 as the market will overreact and underreact to a plethora of factors. These factors range from inflation expectations and economic growth uncertainties to central bank expectations and evolving tech trends like generative AI.

In Australia, the market has priced in 1-2 rate cuts in 2024. The consensus is also the rate cuts will lag and be far less than FED rate cuts. We also do not expect further rate hikes. Economic growth is likely to soften, and for now inflation is contained and under control. The moderating landscape also suggests further monetary tightening isn't necessary which presents opportunities for certain sectors.

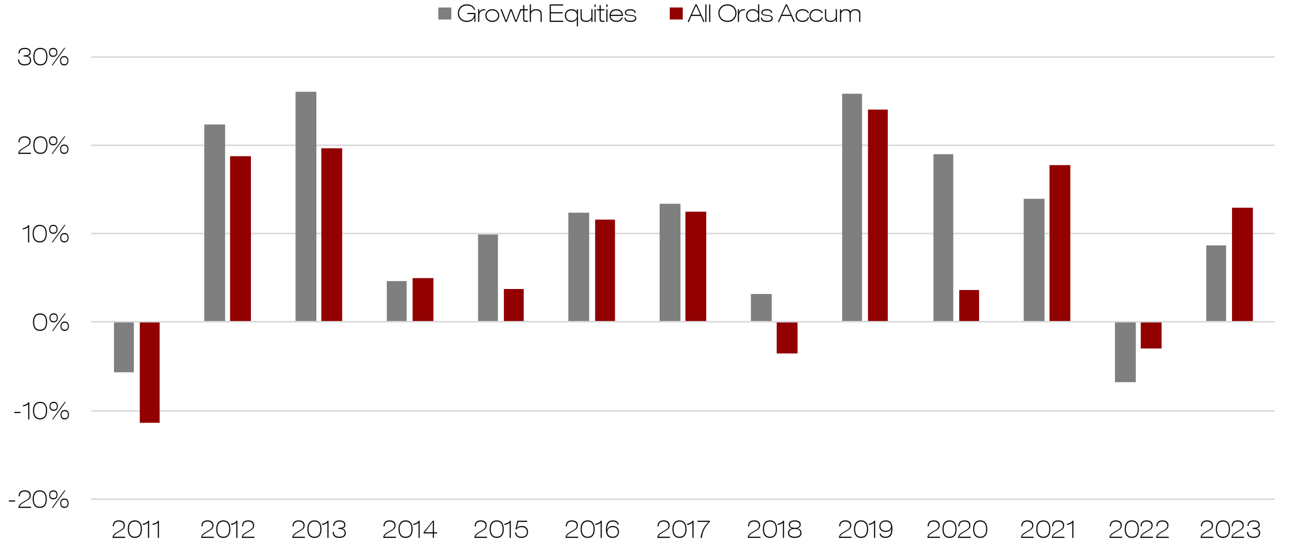
While the recent rally may take a breather in the short term, we think it is likely to broaden out this year which would benefit our portfolios. At Endeavor, we've implemented some positive changes that we believe position us to deliver good returns within the current environment.

Portfolio Factsheet

Industry Exposures



Annual Return*



Investment Philosophy

Bottom up, fundamental focused investor with a 3-5 years time frame

Focus on under owned, under researched businesses

Returns can be maximized through fundamental industry and company research combined with active portfolio management

Small cap bias where inefficiencies in the market are the greatest

High conviction concentrated approach allows portfolios to hold only high conviction ideas

When investing in companies Endeavor take on the view of being the owner of the business

A concentrated portfolio with a flexible mandate

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