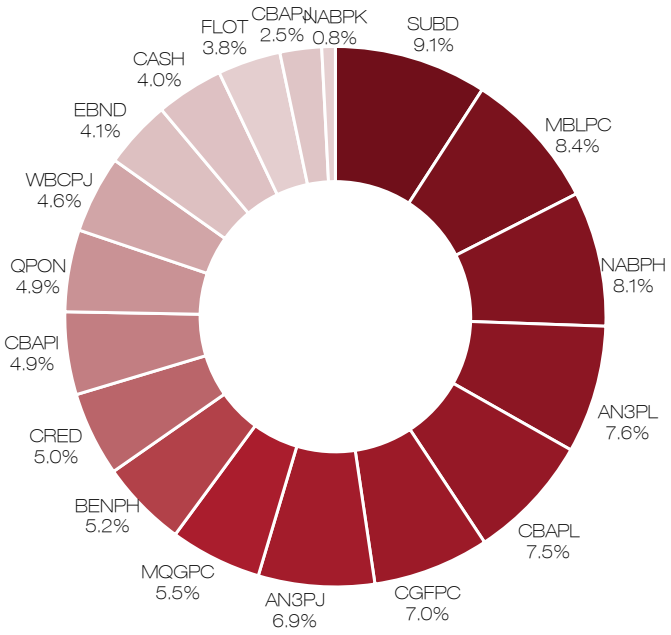
Endeavor Asset Management

Enhanced Yield

August 2024

Performance*	Month	Quarter	One Yr	2 Yr pa.	3 Yr pa.	Inception	Inception pa
Yield	0.01%	2.11%	8.00%	7.20%	4.77%	23.83%	4.37%
RBA Cash	0.36%	1.08%	4.36%	3.88%	2.72%	9.18%	1.77%



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
Return Since Inception	4.4% p.a.
Benchmark Return Since Incp.	1.8% p.a.

From a returns perspective August was a quiet month with just 0.01%, Yes, one basis point. It wasn't a surprise given the strong run of recent returns we have had. Frankly we were chuffed it was positive!

We are glad we don't write these reports weekly. If we had done so this month, everyone would have got whiplash with the trauma the market it put itself through. In early August it was all about the US economy not having a soft landing but instead a hard one. The big tech stocks fell (large), dragging the rest of the market with it. As quickly as the market fell it almost fully recovered a few days later. Then as the month wore on employment data and other indices continued to point more toward the hard landing scenario. The US Fed beefed up it's commentary suggesting a 50 basis point cash rate cut was more likely than not – we are waiting in anticipation of that. The market stabilised - somewhat.

For us we were able to watch on from the sidelines. Our credit spreads remain tight by historic levels. We took up the new Macquarie Bank hybrid offer. It lists in September. We sold out of our long dated NAB holding which was trading significantly tighter than the new issue. We also bought into a CBA issue with 2 years to maturity. Bank balance sheets continue to be in rude health. The two speed / two tier economy isn't hurting them. Unlike government debt, bank debt is well managed and contained.

Any questions please give us a call.

*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.