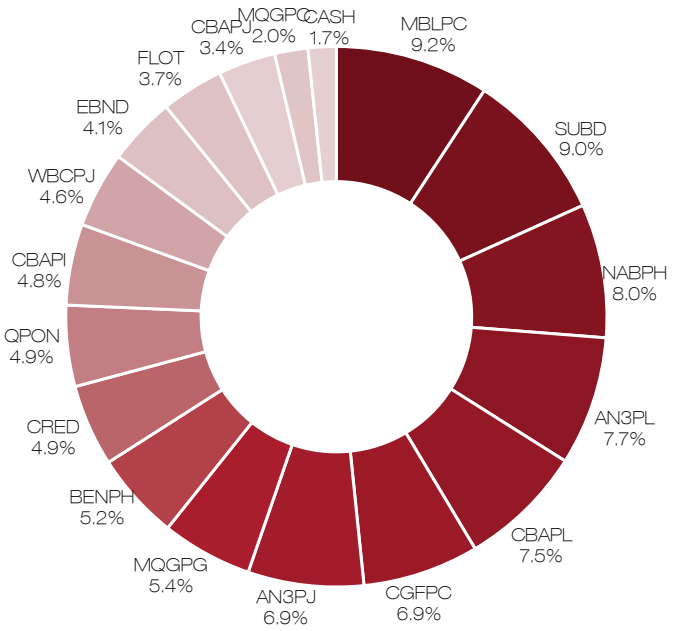
Endeavor Asset Management

Enhanced Yield

October 2024

Performance*	Month	Quarter	One Yr	3 Yr pa.	5 Yr pa.	Inception	Inception pa
Yield	0.37%	1.59%	8.87%	8.03%	4.63%	25.79%	4.54%
RBA Cash	0.36%	1.08%	4.41%	4.04%	1.88%	9.96%	1.86%



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	4.5% p.a.
Benchmark Return Since Incp.	1.9% p.a.

October was a quiet month as we expected. The portfolio returned 0.37%. With spreads "tight" and credit markets benign, it felt like things were going that way.

For global markets, it was all about the US election. Thankfully, they are only held every four years! Throughout the campaign, both parties promised much in the way of handouts and lower taxes. This is both stimulatory and inflationary, not only for the USA but also for the global economy. The Trump led Republicans were promising the most by a significant amount. Add to that the threat and likely implementation of tariffs on all trading partners, and you have a recipe for a significant rise in inflation. Consequently, as election day drew closer, long dated bond yields increased. We sidestepped that landmine by having over 90% of our assets in floating-rate returns.

Interestingly, equity markets had a very good month. Often, when you see rates rise, you see equities fall. However, the pro business and stimulatory effects of the incoming US government's policy encouraged significant buying "across the board."

With inflation unlikely to fall in the coming months, the RBA will hold the cash rate where it is until at least March. By then, it could well be that we see an increase rather than a decrease.

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.