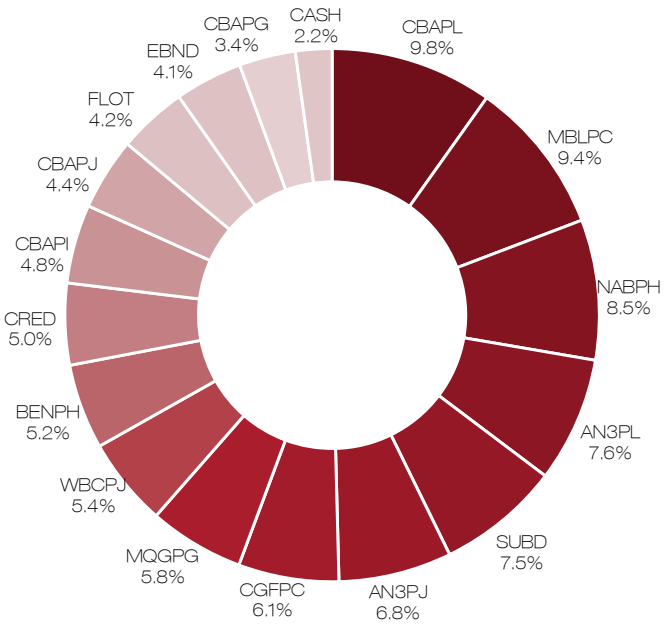
Endeavor Asset Management

Enhanced Yield

February 2025

Performance*	Month	Quarter	One Yr	3 Yr pa.	5 Yr pa.	Inception	Inception pa
Yield	0.59%	1.39%	7.04%	6.91%	4.94%	27.87%	4.57%
RBA Cash	0.34%	1.06%	4.39%	4.26%	2.11%	11.53%	2.00%



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	4.6% p.a.
Benchmark Return Since Incp.	2% 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

February delivered a very satisfactory 0.59% return, giving us a rolling one year of 7.04%. It was a more a "traditional" month of performance. By that I mean equities sold off throughout the reporting season which benefitted us with a "flight to quality" – being bonds and other capital stable instruments. We also got the much anticipated rate cut. We have a small allocation in the portfolio that benefits from rates falling – CRED and EBND. Our cash rate is now 4.10%. That's very much in line with other major developed market economies.

The continuing strategy (madness?) of running a country by tweets and broad sweeping statements finally caught up with the new US administration. The volatility it has brought to the political stage globally filtered through to equity markets. The disconcerting thing however was the talk that the President "didn't care" if tariffs and other policies caused a recession. He's got four years to go so maybe he's playing his long game in some ways. The new US policies settings are certainly nontraditional and against many people's view of how things should be done. Will they cause inflation (rates would have to go up) or a recession (rates would come down) or both (the yield curve steepens dramatically), we don't know. It's that uncertainty that is driving the flight to capital stable instruments.

Any questions or thoughts 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. Past performance is not an indication of future performance.