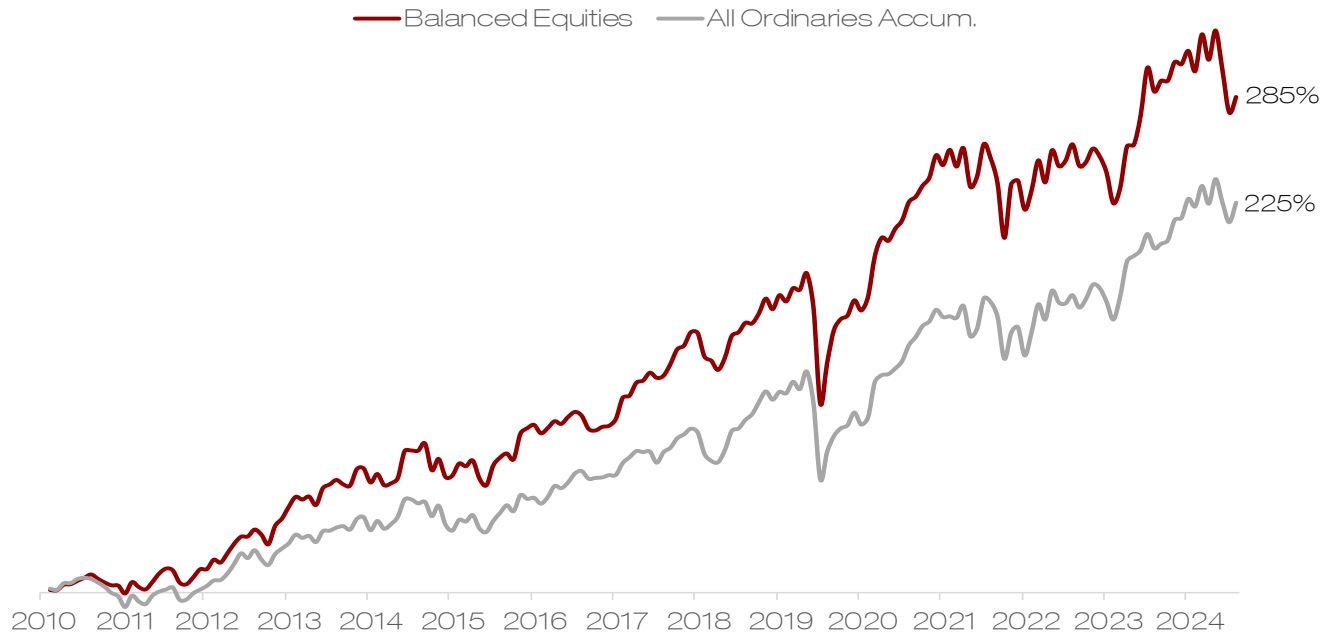
Endeavor Asset Management

Balanced Equities

April 2025

Performance*	Month	Quarter	1 Yr	3 Yr pa.	5 Yr pa.	10 Yr pa.	14 Yr pa.	Inception
Balanced Equities	2.4%	-9.0%	-0.8%	3.3%	10.7%	7.8%	9.4%	285%
All Ordinaries Accum.	3.6%	-4.0%	8.8%	6.7%	12.4%	7.9%	8.9%	225%
Outperformance	-1.2%	-5.0%	-9.6%	-3.4%	-1.7%	-0.1%	0.5%	61%



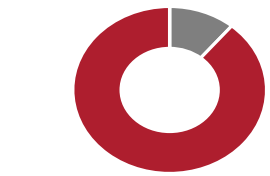
Top Contibutors

Smart Parking Ltd
Australian Finance Group Ltd
Wesfarmers
Superloop
Telstra Corporation

Top Holdings ASX 200

BHP Group Ltd
Life360 Inc
Worley Ltd
National Aust. Bank
Block

Cash Weighting



Cash 11% Equities 89%

Bottom Contibutors

Worley Ltd
Woodside Energy
Webjet Ltd
Light & Wonder Inc
Siteminder Ltd

Ex 200

Smart Parking Ltd
EML Payments Ltd
Superloop
Solvar Ltd

Portfolio Characteristics

Low / Moderate Risk
85% ASX200 Limit
15% Ex200 Limit
20-35 ASX Listed Equities
Unconstrained Cash
All Ords Accum. Benchmark

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Portfolio Commentary

Performance Summary

The Balanced Equities Portfolio returned +2.4% after fees in April 2025 compared to the ASX All Ordinaries Accumulation Index's (the benchmark) return of +3.6%. Since inception, the portfolio has returned 285% (9.7% p.a.) after fees compared to the benchmark 2225% (8.4% p.a.).

Market Overview

April was a roller coaster. Tariff headlines triggered a sharp selloff: from the mid February peak to the 7 April low the Nasdaq dropped 26%, the S&P 500 22% and the ASX 200 19%.

We reduced cash from the long-term 15% average to about 5% towards the lows, buying quality names that had fallen 30 to 50% despite little change in earnings. A proposed blanket 10% US import tariff caused the initial slide and a 90 day pause reversed it.

By month end global equities were roughly flat, global bonds gained 2.9%, the Nasdaq had rebounded 19% and the ASX 200 16%. Gold set a record at USD 3 500/oz while oil, copper and silver softened.

The IMF trimmed its 2025 global growth forecast by 0.5%. Several Asian central banks and the RBA adopted a dovish tone as Australian core CPI eased to 2.9% and unemployment reached 4.1%. Australia attracted safe haven flows, with US investors buying stocks such as CBA, viewing the market as neutral in the trade dispute and a potential beneficiary of any China stimulus.

Key Movements: WES, SLC, AFG, LNW

The share price of **Wesfarmers** (WES) continued its strength through the beginning of April to finish the month up +9%. WES presented an investor day showcasing why Bunnings is one of the best retailers in Australia. The business showed their focus on productivity growth (sales growth and gross profit per square metre of floor) via new categories and other efficiencies. Some examples of this were evident over the last 12-24 months for those who walked their local Bunnings store and began to spot high margin products such as pet food, cleaning and automotive products (automotive only recently landing on shelves whilst pet related products have been offered for circa 2 years). From 2015 to 2024, Bunnings has doubled its sales despite its floor space only growing by 27%, demonstrating their ability to not only pass on price increases but to extract more sales per square metre. Additionally, Bunnings will convert half of its stores' tool shops by the end of June 2025 which allows them to increase the SKU count by ~21%, despite not expanding the floor space. The tool shop is a high margin section of any Bunnings store, and we look forward to the remainder of their stores being converted within 12-24 months.

Telecommunications challenger **Superloop** (SLC) extended its rally in April with its share price increasing by 19%, supported by upcoming NBN infrastructure changes set to take effect from September 2025. These upgrades will enable retail service providers to offer faster speeds at no additional wholesale cost, materially improving the value proposition of higher-speed broadband plans relative to legacy lower-speed offerings. With the 50Mbps tier representing the largest household segment, we see a significant churn opportunity as consumers look to switch providers. Superloop is well positioned to benefit, given its strong brand recognition and product focus at the higher end of the speed spectrum. The stock trades on a 22x one-year forward P/E and is forecasting a compelling 49% EPS CAGR over the next three years.

The share price of **Australian Finance Group** (AFG) increased by 14% in April off the back of strong March quarter loan lodgements with AFG Securities' lodgements gaining market share (up 20% yoy v. total market lodgements up 18.5% yoy). AFG Securities products consist of 56% of AFG's home loans. We expect AFG to continue to take market share in a decreasing rate/increasing loan activity environment within its core mortgage broking industry and expand this 'know how' into asset finance broking in time.

Light & Wonder (LNW) saw a 12% decline in its share price during April due to increased concerns surrounding the ongoing litigation with major competitor, Aristocrat Leisure. We remain confident that LNW does not have significant contagion of wrongdoing throughout the remainder of its business. We look forward to the upcoming Investor Day in May where we are keen to see another 2–3-year plan set by the business, particularly incorporating its newly acquired charitable gaming business, Grover Gaming.

Significant Entries and Exits: APA, WBC, NEM and WEB

During April, we began a new investment in gas and electricity infrastructure business, **APA Group** (APA). APA is Australia's largest owner of energy infrastructure in the form of natural gas pipelines and storage assets. More recently the business has begun to diversify into gas fired generation assets and electricity transmission assets. We're attracted to APA's dividend yield of approximately 7% with a dividend stream that we expect to grow by 2-5% per annum between now and FY30. We believe the market has got past the main detractor that was weighing on the company's share price, being a possible equity raise to bolster its balance sheet. With this put to bed, it provides the business with clean air to execute on its development pipeline which lays the foundations to sustain multi-decade dividend streams.

The Balanced Portfolio exited its holding in **WEB Travel Group** (WEB) during the month as we gained increased conviction in the deteriorating travel industry following data that was showing large negative drop offs of inbound travel into the USA (e.g. from Europe and elsewhere).

We exited **Newmont Mining** (NEM) following a strong period of share price gains across the gold sector.

Outlook

The RBA's May meeting looks like a genuine chance to cut rates. Softer retail data, easing core CPI and a 4.1% jobless rate give it scope to move if tariff pressures intensify. A broader shift toward easier policy would support equity valuations, but headline risk will stay high while US-China trade terms remain unresolved.

In Australia we see growth moderating rather than contracting. Businesses that can lift prices, rely on recurring revenue and keep tight cost control are best placed, while the rapid rollout of artificial intelligence is already reshaping profit pools.

Record gold prices confirm a flight to safety, though we have pared our exposure after the strong run. With most other commodities soft we are selective on resources. During April's capitulation we cut cash from the long term 15% average to roughly 5%, volatility creates opportunities for stock pickers and we are confident some of our investments will continue to work back to their highs over the coming months.

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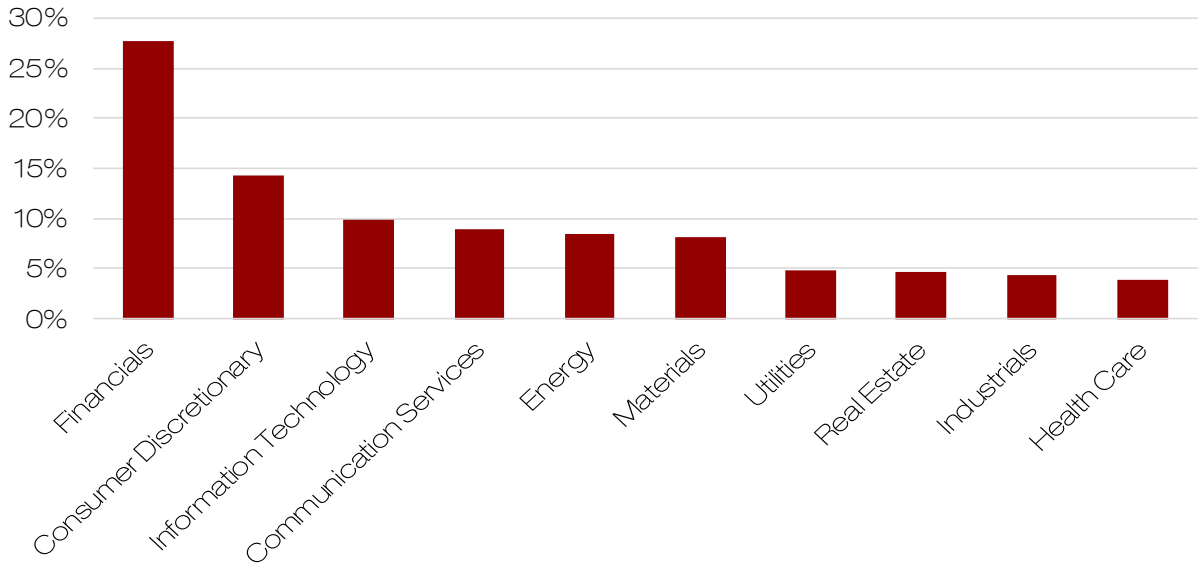
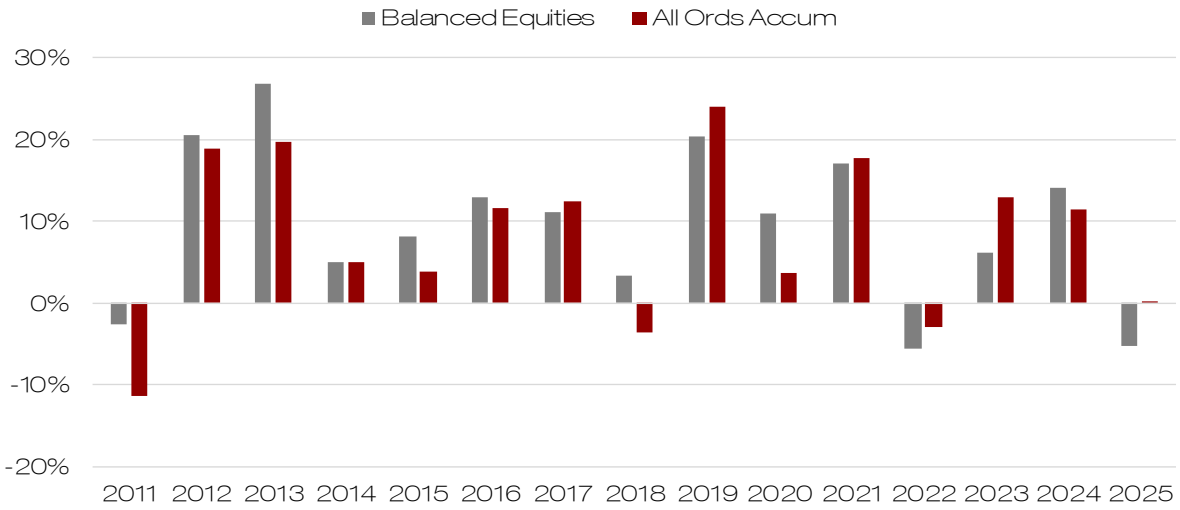
Portfolio Factsheet

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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