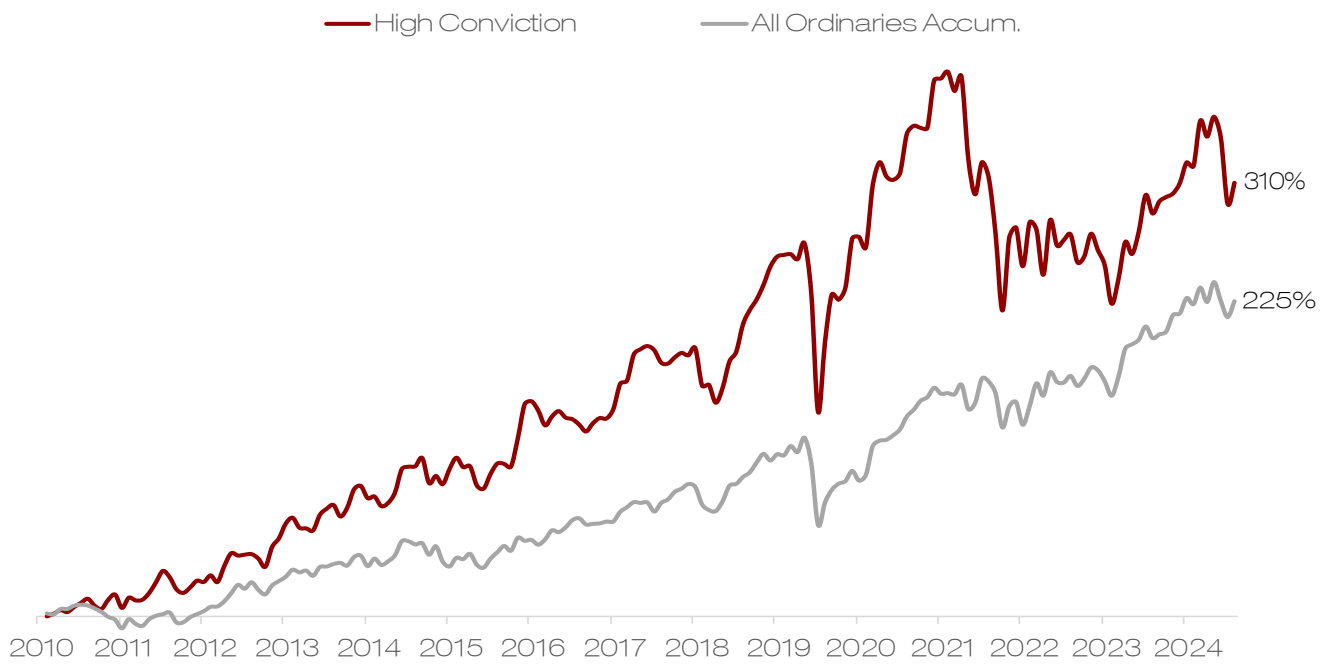
Endeavor Asset Management

High Conviction

April 2025

Performance	Month	Quarter	One Yr	3 Yr pa.	5 Yr pa.	10 Yr pa.	14 Yr pa.	Inception
High Conviction	3.8%	-10.3%	5.7%	-0.3%	6.8%	7.0%	9.7%	310%
All Ordinaries Accum.	3.6%	-4.0%	8.8%	6.7%	12.4%	7.9%	8.9%	225%
Outperformance	0.2%	-6.3%	-3.1%	-7.0%	-5.6%	-0.9%	0.7%	85%



Portfolio Factsheet

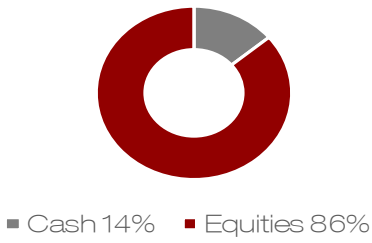
Top Contibutors

Smart Parking Ltd
Zip Co Ltd
Australian Finance Group Ltd
Life360 Inc
Airtasker Limited

Top Holdings

Smart Parking Ltd
Zip Co Ltd
Life360 Inc
Block
Light & Wonder Inc

Cash Weighting



Bottom Contibutors

Monash IVF
Andean Silver Ltd
Light & Wonder Inc
Mineral Resources
Siteminder Ltd

Portfolio Characteristics

High Risk
Unconstrained in ASX200
Unconstrained in Ex200
20-35 ASX Listed Equities
Unconstrained Cash
All Ords Accum. Benchmark

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Portfolio Commentary

Performance Summary

The High Conviction Equities Portfolio returned 3.8% 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 310% after fees compared to the benchmark 225%. Small cap companies somewhat lagged the broader market, as displayed by the Small Ordinaries index which appreciated 1.8%.

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: SPZ, ZIP, AFG, MVF, LNW

Smart Parking (SPZ) shares rose 14.6% in April, buoyed by on-market buying from Chairman Chris Morris, who acquired approximately $1 million worth of shares—providing a clear vote of confidence in the company's trajectory. As noted last month, we remain constructive on SPZ and see further upside as the rollout across new global regions gathers pace. The stock now trades at 12x FY26 EBITDA, down from 14.6x prior to the recent acquisition, delivering 35% multiple accretion and meaningful DCF upside.

Digital financial services company **Zip Co** (ZIP) delivered a strong quarterly result for the period ending 31 March 2025, with shares rising 7.5% in April. Cash EBTDA lifted from $35 million to $46 million, supported by improved revenue margins (revenue as a proportion of total transaction volume). The key driver of the share price move was an upgrade to FY25 guidance, which was well received by the market given heightened macroeconomic uncertainty stemming from new tariff regimes. In our view, guidance remains conservative, with Zip retaining significant headroom to absorb external volatility while still achieving its revised target of at least $153 million in Cash EBTDA.

Loan aggregator **Australian Finance Group** (AFG) gained 14.1% in April as expectations of lower interest rates began to positively shift sentiment toward lending conditions. During the month, AFG reported March quarter lodgements that reflected solid activity—particularly encouraging given the seasonal softness typically associated with the holiday period. We believe the company remains underappreciated by the market, with its strong fundamentals and prior self-investment now positioning it to deliver meaningful operating leverage.

Shares in **Airtasker** (ART) rose 17.5% in April on the back of a strong quarterly update, with momentum continuing in the UK and US markets. We continue to believe ART is both misunderstood and undervalued, particularly given the performance-based structure of its media partnerships offshore. With no duplication of head office costs in these regions, any operational success flows through meaningfully to group profit. We view the result as another constructive step toward scale in these markets, helping to de-risk our long-term forecasts. Early indicators suggest ongoing traction in Q4, and we see scope for near-term valuation upside as the UK business gains market recognition and the domestic operation is re-rated accordingly.

Significant Entries & Exits: PNV, BNZ, HUM, MVF, ASL

We re-entered wound care company **Polynovo** (PNV) in April after a substantial derating in the share price, which occurred despite little change in the company's underlying fundamentals. Polynovo's flagship product, NovoSorb BTM, is a synthetic dermal matrix designed to support skin regeneration. Historically, the stock has traded at an average forward EV/Sales multiple of 12x over the past three years—around 140% above the current multiple of 5x. Consensus forecasts point to strong growth ahead, with revenues and EBITDA expected to compound at 21% and 62% per annum, respectively, through FY29e. Having previously exited our position at $1.82 per share earlier in the year, we reinitiated the position in April at $1.05.

Monash IVF Group (MVF) declined sharply in April following media reports of a serious incident at one of its Brisbane clinics. Due to human error, an embryo intended for one patient was mistakenly transferred to another, resulting in the birth of a child. Whilst this was very unfortunate, we think it poses significant risk to the company's brand and future revenue profile. Given the potential reputational and operational consequences, we exited the position.

We exited our remaining position in South American silver-gold developer **Andean Silver** (ASL) during April. Early in the month, the company announced a resource upgrade at its flagship Cerro Bayo project, lifting the silver equivalent resource to 111 million ounces. Since acquiring the asset, Andean has grown the resource base by approximately 439% over a 14-month period. We sold our final shares at around $1.09, locking in a strong return relative to our average entry price of $0.53.

We initiated a position in West Australian gold explorer **Benz Mining** (BNZ), attracted by the quality of its management team and the scale potential of its flagship Glenburgh asset. Benz acquired the Glenburgh and Mt Egerton gold projects from Spartan Resources in a transaction comprising 33 million shares (market value of $13 million), staged cash payments of $1 million, and up to $6 million in contingent consideration. The Glenburgh project currently hosts a Mineral Resource Estimate of 16.3Mt at 1.0g/t for 510,100 ounces of contained gold, which we expect will grow meaningfully in the near term. Key catalysts ahead include drill assays, surface interpretation, drill re-mobilisation and a resource upgrade.

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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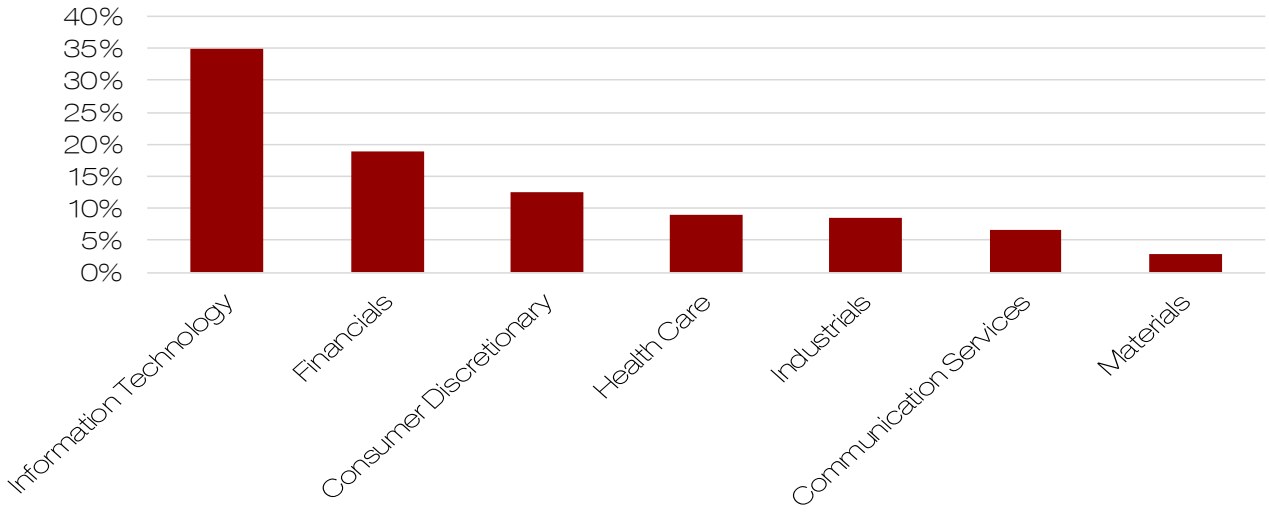
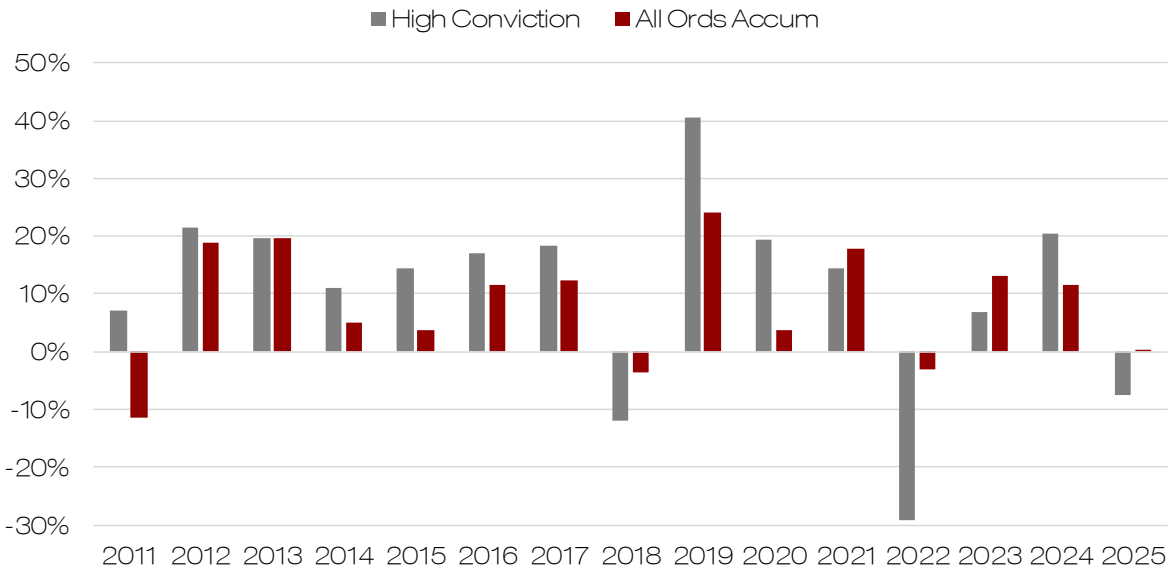
Portfolio Factsheet

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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