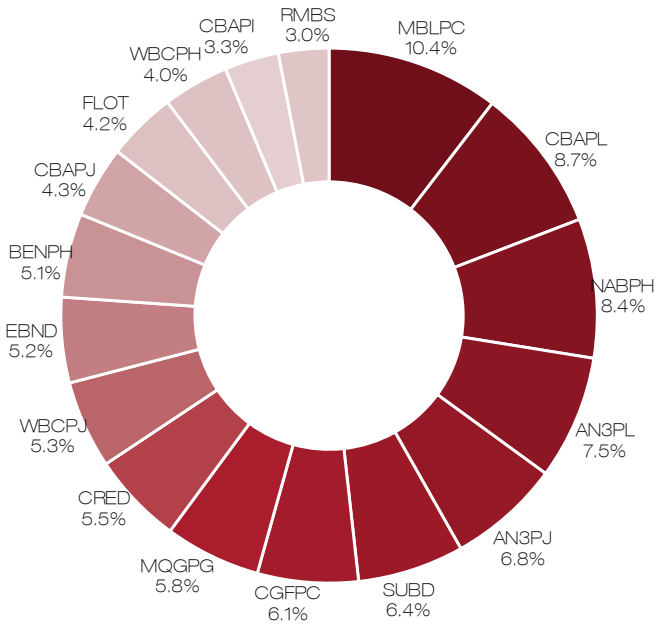
Endeavor Asset Management

Enhanced Yield

June 2025

Performance*	Month	Quarter	One Yr	3 Yr pa.	5 Yr pa.	Inception	Inception pa
Yield	0.95%	1.29%	6.46%	7.07%	5.07%	30.16%	4.62%
RBA Cash	0.32%	0.98%	4.26%	4.29%	2.36%	13.01%	2.12%



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.	2.1% 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

The final month of the fiscal year burned brightly for investors across the board. The Yield portfolio returned a handsome 0.95%, giving us a full FY25 return of 6.46% after fees. Equities also performed well with the Endeavor Growth portfolio returning 2.8%.

Over the course of the year the whole portfolio has contributed its expected yield driven returns. There has however been one stand out performer, ticker EBND, who last month returned 2.15% and 12% for FY25. EBND is an ETF managed by van Eck. It invests in emerging market government and quasi government bonds – names like Malaysia, Thailand, South Korea, Mexico, Saudi Arabia, Singapore, Poland etc. The premise for our investment in EBND is driven by fundamentals, in the same way that fundamentals drive equity investment decisions.

Emerging market economies (most) have better balance sheets than developed market economies (think USA, UK, Italy, Spain, Australia (especially when you consider state government debt) etc.) When an economy is considered emerging as opposed to developed they pay a premium to borrow money. That premium, in the current circumstances is not justified when compared to the parlous state of the USA etc. That's gradually been recognized by the market at large. These spreads have been shrinking and we have benefited through our five years of owning EBND.

We anticipated the last two 0.25% rate cuts, and while there's chatter about another one in July, we're not convinced it's needed - so for now, we're staying neutral.

*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.