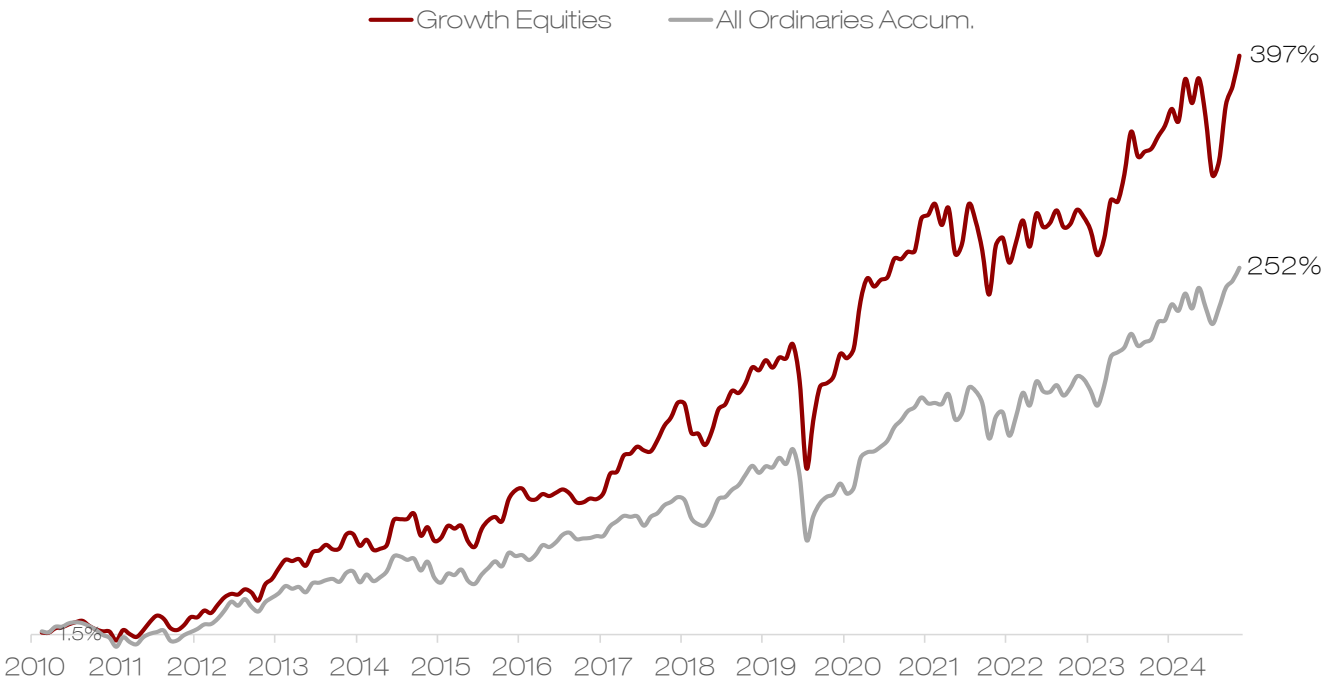
Endeavor Asset Management

Growth Equities

July 2025

Performance*	Month	Quarter	One Yr	3 Yr pa.	5 Yr pa.	10 Yr pa.	14 Yr pa.	Inception
Growth Equities	4.4%	17.0%	12.5%	10.7%	12.4%	11.1%	11.9%	397%
All Ordinaries Accum.	2.6%	8.4%	11.9%	12.1%	12.4%	8.9%	8.9%	252%
Outperformance	1.8%	8.5%	0.7%	-1.5%	0.0%	2.2%	3.0%	145%



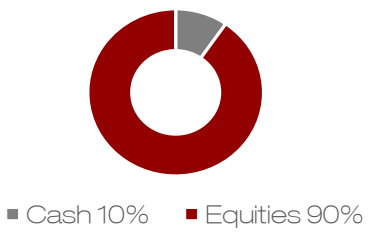
Top Contibutors

Clarity Pharmaceuticals Ltd
Block
Life360 Inc
Neuren Pharmaceut
BHP Group Ltd

Top Holdings ASX 200

BHP Group Ltd
Light & Wonder Inc
Macquarie Group Ltd
Worley Ltd
Wisetech Global Ltd

Cash Weighting



Bottom Contibutors

Champion Iron Ltd
Smart Parking Ltd
Macquarie Group Ltd
EML Payments Ltd
National Aust. Bank

Ex 200

EML Payments Ltd
Smart Parking Ltd
Life360 Inc
Firefly Metals Ltd

Portfolio Characteristics

Moderate / High Risk
75% ASX200 Limit
25% Ex200 Limit
20-35 ASX Listed Equities
Unconstrained Cash

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Portfolio Commentary

Performance Summary

The Growth Equities Portfolio returned 4.4% for the month compared to the All Ordinaries Accumulation Index return of 2.6%.

Since inception, the portfolio has returned 397% after fees compared to the benchmark 252%.

Market Overview

Australian data softened. Second quarter CPI cooled to 2.1% y/y while unemployment inched up to 4.3%. Futures now price a 90% chance the RBA cuts the cash rate at its 12 August meeting, helping the ASX post its fifth rise in six months. In the United States the Federal Reserve held rates at 4.25% to 4.5% and signalled the next move is likely down. Strong tech earnings pushed the S&P 500 to fresh highs. China's fiscal support is lifting industrial production, and euro area PMIs have firmed. Brent crude is steady near USD 69.

Key Movements

The Growth portfolio benefitted from strong performance in healthcare, with **Clarity Pharmaceuticals** (CU6) and **Neuren Pharmaceuticals** (NEU) both rising meaningfully in July. In February, we rotated out of CSL and redeployed capital into CU6 and NEU, reflecting our view that these emerging names offered greater upside potential. Since the switch, CU6 and NEU have returned +23% and +24% respectively, significantly outperforming CSL, which has risen just +1% over the same period.

Clarity was a standout in July, with strong anticipation building around its upcoming co-PSMA trial, which will directly compare its prostate cancer imaging agent against the current standard of care. The Company also completed a $203 million equity raise during the month at a premium to the prevailing share price, an encouraging signal of investor confidence. Well capitalised and with multiple shots on goal across its oncology pipeline, we see material upside should the co-PSMA trial deliver a favourable readout.

Shares in family safety platform **Life360** (360) rose 25% during the month. Google Trends data indicates that consumer interest is at record highs, which bodes well for user growth. Looking ahead, the Company is set to launch a pet tracking product in late CY25, a move that could broaden Life360's addressable market and materially lift both new user additions and average revenue per user. At the same time, advertising is emerging as a new and scalable revenue stream. With minimal incremental cost, the uplift in ad revenue should provide meaningful operating leverage in the coming years. 360 is set to report its June quarter on 12th August.

Shares in **BHP** rose 7% in July as Beijing's latest infrastructure-focused stimulus revived demand expectations for steel-linked commodities and lifted the benchmark iron-ore price 6%. The company's fourth-quarter FY25 result beat on most metrics, with FY26 guidance broadly matching consensus. While analysts expect iron-ore prices to ease in FY26 as new supply enters the market, that headwind is well understood and leaves room for upside risk. BHP trades on 13x forward earnings and offers a fully franked 4.2% yield.

Shares in global fintech platform **Block Inc** (XYZ) rallied 18% in July following news of its inclusion in the S&P 500 index. Looking ahead, Block is set to report June quarter earnings this Friday (8 August), with expectations for an acceleration in gross payment volume and earnings growth relative to the March quarter. Of particular interest will be management's commentary on the outlook, as growth is anticipated to accelerate further in the second half of CY25. XYZ remains attractively valued at 20x FY26 P/E, with consensus forecasting 23% average EPS growth per annum over FY25–28.

Worley (WOR) will release its full-year results in late August. The share price has been weighed down in recent months by oil-price volatility and uncertainty over the timing of Venture Global's US$27 billion CP2 LNG development, where Worley is the lead EPC contractor. That overhang eased in July when Venture Global issued Worley a full notice to proceed on the project's first phase, a milestone that will materially expand the company's backlog. We will also listen out for signals of process automation and offshoring of selected functions that could unlock operating leverage. Trading at around 10x FY26 EV/EBIT, close to multi-year lows, with EPS expected to grow roughly 15 % per annum, Worley looks compelling value.

EML Payments (EML) saw its share price decline by 3.4%. We're confident in EML's FY28 strategy and upcoming FY25 result following a successful rebasing of the business post-regulatory and operational challenges, providing it with the ability to now focus on sustainable growth. EML recently signed with Pismo (a subsidiary of Visa) to allow EML to consolidate multiple processing platforms into a single platform that will cover Australia, North America, UK and Europe. This is the first step in the EML 2.0 direction.

Significant Entries and Exits

We entered a position in **Champion Iron** (CIA) in July. The Company's Bloom Lake mine produces a premium 66% Fe product, though the latest quarterly result fell short due to temporarily elevated costs from harder ore. Importantly, a major upgrade to produce direct reduction (DR) quality feed, up to 69% Fe, is on track for year-end completion. This higher-grade product should attract a further premium and support stronger margins into 2026.

Outlook

A mix of easier monetary policy, stable economies and ongoing fiscal support underpins our constructive view for the next six to twelve months. Geopolitical headlines will add short term noise, but the medium term path for earnings growth looks clearer than it has in some time. We enter FY26 positioned for opportunity and confident that our process will continue to deliver attractive returns.

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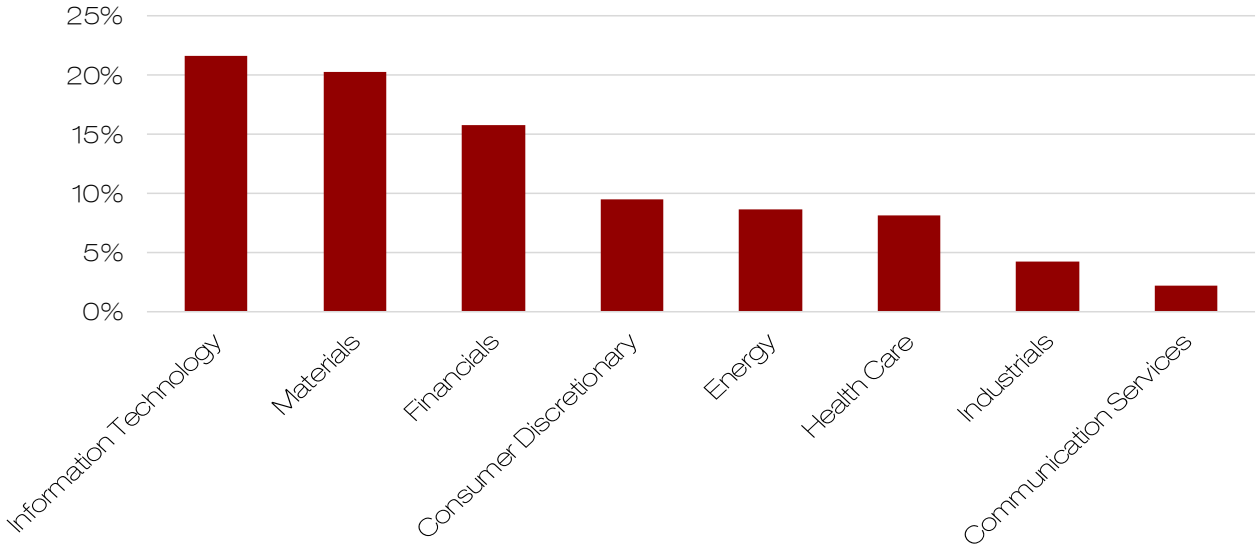
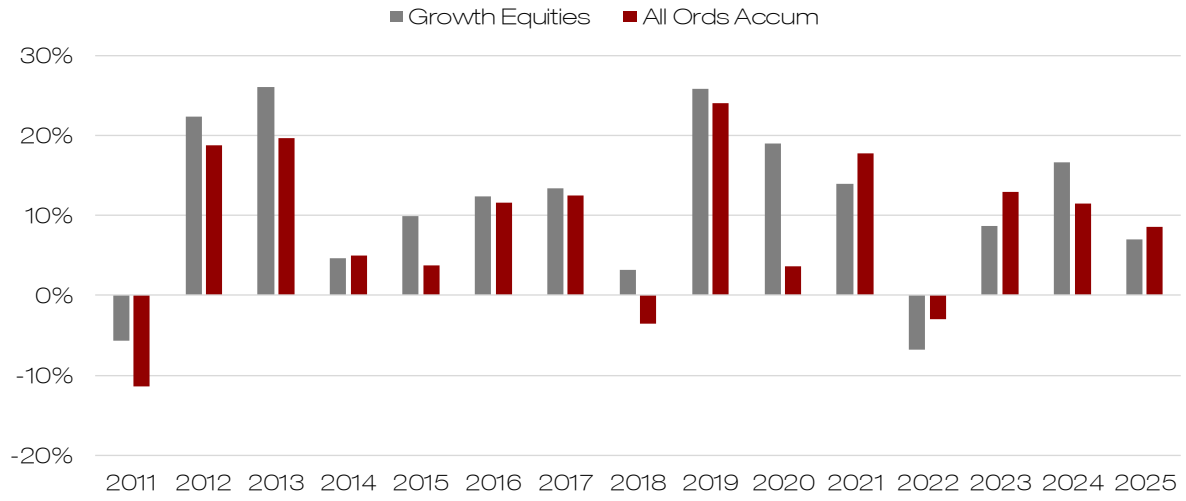
Portfolio Factsheet

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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