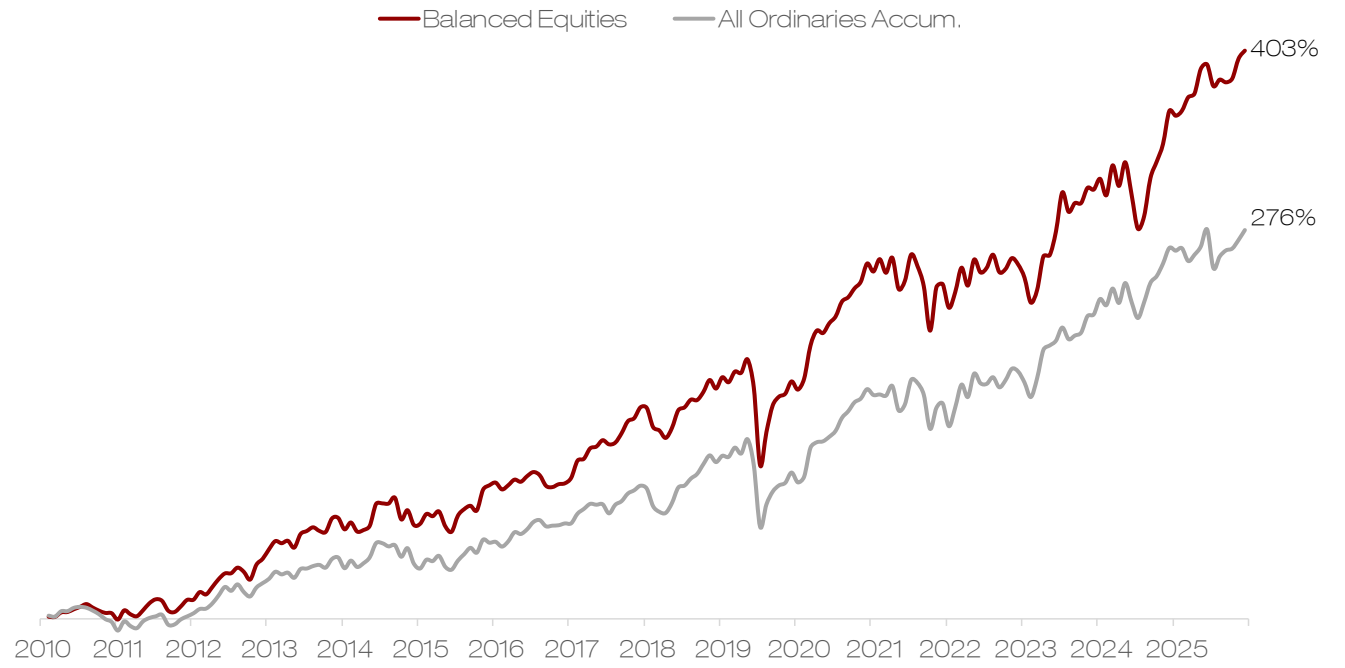
Endeavor Asset Management

Balanced Equities

August 2026

Performance*	Month	Quarter	1 Yr	2 Yr pa.	3 Yr pa.	5 Yr pa.	10 Yr pa.	15 Yr pa.	Inception
Balanced Equities	1.2%	4.7%	9.3%	11.5%	12.7%	7.4%	10.0%	11.1%	403%
All Ordinaries Accum.	1.9%	4.0%	3.5%	9.1%	10.9%	7.4%	9.3%	9.1%	276%
Outperformance	-0.8%	0.7%	5.8%	2.5%	1.8%	0.0%	0.6%	2.0%	127%



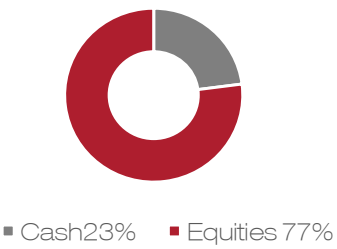
Top Contibutors

CSL Ltd
Ramelius Resources
BHP Group Ltd
REA Group Ltd
South32 Ltd

Top Holdings ASX 200

BHP Group Ltd
Breville Group Limited
Zip Co Ltd
REA Group Ltd
Perpetual Limited

Cash Weighting



Bottom Contibutors

Arena REIT
Generation Development Group Limi
JB Hi-Fi Limited
Life360 Inc
Wesfarmers

Ex 200

Catapult Sports Ltd
Life360 Inc
Austal Ltd
Generation Development Group Limited

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 increased by 1.2% in August compared to the All Ordinaries Accumulation Index, which increased by 1.9%.

Two months into FY27 the Balanced Portfolio has returned 4.7% net of fees compared to the benchmark 4.0%. August was the portfolio's weakest month relative to the index in some time, and the reason is structural rather than a stock error: this is the strategy with the largest weighting to the banks, telcos and property trusts, and August was a month in which the market paid almost exclusively for resources.

Market Overview

August was the month the rotation finally paid. The All Ordinaries Accumulation Index returned 2.1%, but that headline understates what happened beneath it. The Small Ordinaries Accumulation Index returned 6.3% as capital moved down the market capitalisation curve and into the resource names. Gold did most of the work. Spot gold rose around 10% to roughly US$4,456 an ounce after the US Treasury's bond buyback announcement revived the debasement trade and pushed the US dollar lower, and the ASX gold sector gained almost 34% over the month, lifting its weight in the ASX 200 to around 6.1%. Copper, uranium and lithium followed, and both BHP and South32 touched 52-week highs.

Reporting season did the rest, and it was unusually violent. CSL rose 17% on the day of its result. Generation Development fell 14% on the day of its. Life360 fell sharply on a second quarter that grew revenue 38% but left full year guidance unchanged. The pattern through August was that results were marked against expectations rather than against last year, and in a market that had already priced disappointment into the beaten-up names, the asymmetry favoured the cheap.

Domestically the RBA held the cash rate at 4.35% on 11 August, as the market expected, but the tone was not dovish. Deputy Governor Hauser warned the Bank would raise again if upside risks to inflation crystallised. Against that, July employment unexpectedly fell and the unemployment rate rose to its highest level since late 2021, while volatile oil prices kept the inflation question open. The banks were a drag on the index for most of the month..

Key Movements

CSL (CSL) was the largest contributor. The FY26 result on 18 August reported revenue of US$15.8 billion and underlying NPATA of US$3.1 billion, both marginally lower, alongside a statutory loss of US$2.6 billion after restructuring and impairment charges. The shares rose 17% on the day. We sold a third of the holding on 20 August and retained the balance at 4%. Unlike Growth, the Balanced Portfolio keeps a core position here: the franchise still generates US$3.5 billion of operating cash flow and the dividend is real, even if the growth premium is not coming back quickly.

BHP (BHP) contributed strongly, touching a 52-week high as copper firmed and the rotation into large resources gathered pace. BHP remains the portfolio's largest position at 8.9%.

Ramelius Resources (RMS) was the third largest contributor and is now the second largest holding at 6.2%, having been bought only in late July. The ASX gold index rose almost 34% over the month on a 10% rise in the spot price.

South32 (S32) was exited in full on 12 and 14 August after the shares hit a ten-year high following the US$5.6 billion Alcoa transaction and a 99% twelve month return. The FY26 result later in the month was strong and the stock finished near its 52-week high, so this was an early exit rather than a costless one.

Arena REIT (ARF) was the largest detractor and was exited in full on 26 August following a sharp de-rating during the month. Rising long bond yields have been unkind to the whole listed property sector, and we would rather hold the property exposure we have through BWP than carry two positions competing for the same role.

Generation Development Group (GDG) fell around 14% on its FY26 result on 27 August despite revenue growth of 23% and underlying net profit growth of 21%, as the market focused on operating cost growth and flat earnings per share. JB Hi-Fi and Life360 were also material detractors, the latter falling 16% on a second quarter that grew revenue 38% but left guidance unchanged.

The Balanced Portfolio established two new positions in August. Perpetual was built to 5% across four purchases, on an FY26 result showing underlying profit up 6% to $217 million, $72.6 million of annualised cost savings and the Wealth Management sale to Bain Capital due to complete late in the calendar year. Elders was added at 2%. Worley was increased from 3% to 4% and Life360 was topped up to target on 24 August. Cash finished the month at 22.9%, up from 18.7%.

Outlook

A month of underperformance in a portfolio built deliberately to carry less resource risk than the index is not, by itself, a reason to change the portfolio. It is worth being clear about the trade-off though: the same positioning that cost us relative performance in August is what produced a 13.9% rolling year at the July update while the benchmark managed 4.8%.

Cash at 22.9% is the highest it has been this year and it is there for a reason. The RBA is on hold but has told the market plainly that it will move again if inflation surprises, and the rate-sensitive parts of this portfolio, the banks, the REITs and the telcos, are where that would land first. We would rather hold the capacity and deploy it into weakness than reach for the resource rally eight weeks into it.

Portfolio Data — August 2026

Top Contributors	CSL, BHP, RMS, REA, APA	Bottom Contributors	ARF, GDG, JBH, 360, WES
Top Holdings	BHP 8.9%, RMS 6.2%, REA 5.3%, PPT 5.1%, BWP 4.9%	Entries	PPT 5%, ELD 2%
Exits	S32, ARF	Adds / Trims	WOR 3% → 4%; CSL 6% → 4%; 360 topped up
Cash Weighting	22.9% (prior month 18.7%)	Change	+4.2%

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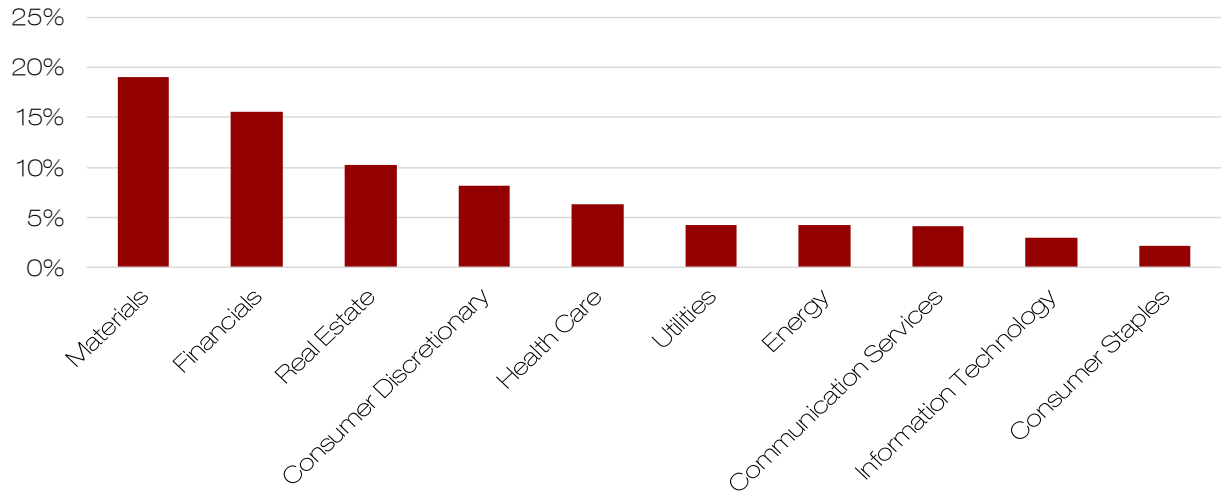
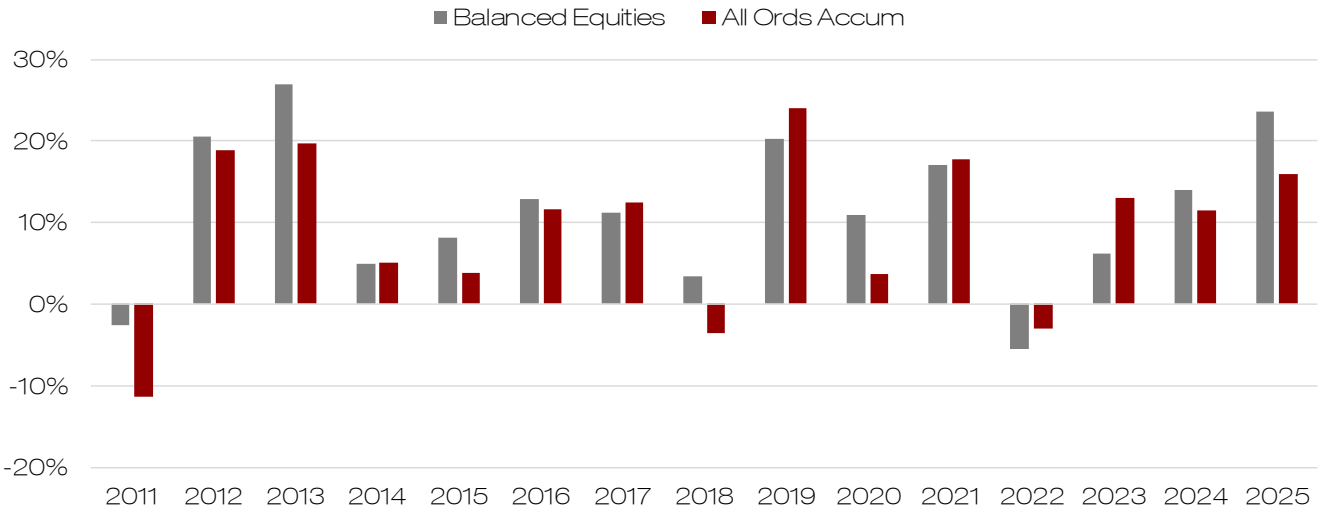
Portfolio Factsheet

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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