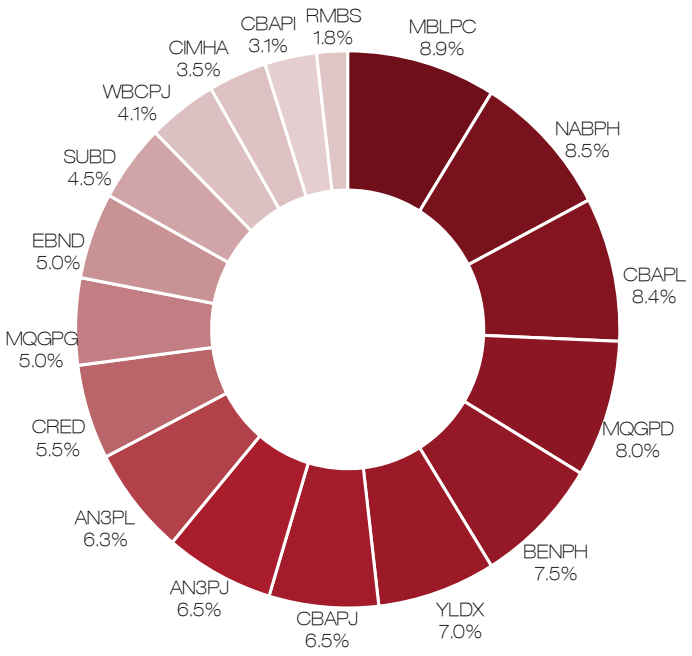
Endeavor Asset Management

Enhanced Yield

August 2026

Performance*	Month	Quarter	One Yr	3 Yr pa.	5 Yr pa.	Inception	Inception pa
Yield	0.41%	1.74%	5.38%	6.63%	5.24%	39.01%	4.82%
RBA Cash	0.36%	1.08%	4.01%	4.18%	3.26%	18.28%	2.43%



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 +1.50 - 2.25%.

Portfolio Characteristics

Inception Date	02/09/2019
Benchmark	RBA Cash Rate
Return Since Inception	4.8% p.a.
Benchmark Return Since Incp.	2.4% 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

We bounced back in August to return 0.41% after fees. Equity markets also had a better month, with the Growth portfolio returning 4%. However, on a one year basis Aussie equities continue to under perform with its rolling year just 3.5%, well under the Enhanced Yield portfolio and even the cash market. Maybe it's time for a bounce?

Australian GDP was the big economic news for the month. While relatively benign at quarterly growth of 0.4% and annual of 2.1%, it still sits just above the RBA's speed limit target of 2%. Hard to believe but the market upped its likelihood of another rate rise to 4.60% before Christmas to almost 100%. Productivity is on the decline as well. That doesn't help.

The other even more major issue for the market to contend with is the amount of government debt that needs to be funded by the market, both here and overseas. We've known about it for a while but with the insatiable appetite for debt from new sources such as AI tech, long dated bond yields are hitting levels not seen since the GFC and in Japan's case, the highest level since 1996. In layman's language bond buyers are demanding a higher yield to justify the risk of owning bonds. These higher yields put pressure on the world's reserve banks to increase their cash rates. It also pressures governments to either cut spending or increase taxes (or both) to bring their budget back into order.

Things like this can take a long time to play out. In the meantime we march forward, collecting our coupons.

Any questions please call us.

*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.