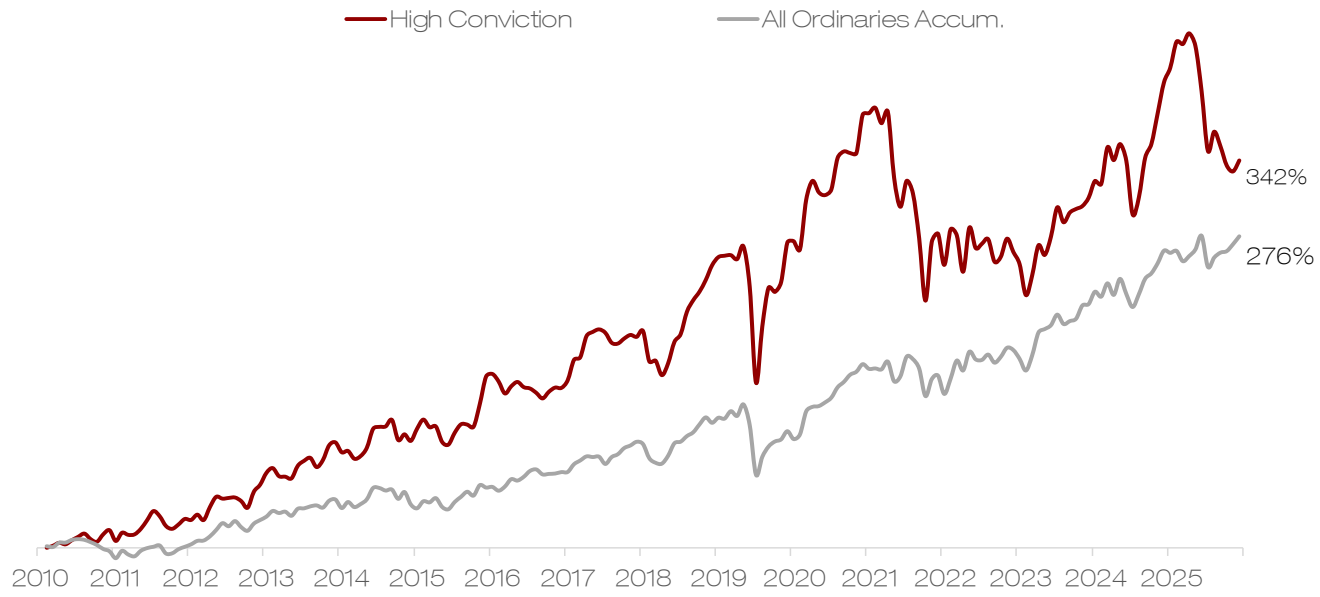
Endeavor Asset Management

High Conviction

August 2026

Performance	Month	Quarter	One Yr	2 Yr pa.	3 Yr pa.	5 Yr pa.	10 Yr pa.	15 Yr pa.	Inception
High Conviction	2.3%	-2.7%	-13.5%	3.9%	7.0%	-1.7%	5.8%	9.4%	342%
All Ordinaries Accum.	1.9%	4.0%	3.5%	9.1%	10.9%	7.4%	9.3%	9.1%	276%
Outperformance	0.4%	-6.7%	-17.0%	-5.1%	-4.0%	-9.1%	-3.5%	0.3%	67%



Portfolio Factsheet

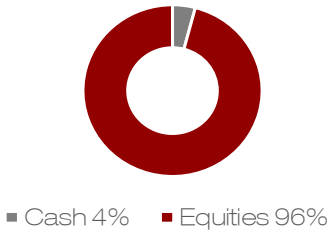
Top Contibutors

Ramelius Resources
Whitehaven Coal
Xero Ltd
Light & Wonder Inc
REA Group Ltd

Top Holdings

Ramelius Resources
Zip Co Ltd
Xero Ltd
Breville Group Limited
Life360 Inc

Cash Weighting



Bottom Contibutors

Generation Development Group Limited
Life360 Inc
HUB24 Limited
Catapult Sports Ltd
Zip Co 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 Portfolio increased by 2.3% in August compared to the All Ordinaries Accumulation Index, which increased by 1.9%. The High Conviction Portfolio has returned approximately 342% since inception compared to the All Ordinaries Accumulation Index 276%.

This was the portfolio's best month against the index in some time, and it came from the small and mid-cap resource exposure that has been a drag for most of the past year. Two months into FY27 the portfolio has returned 2.3% against 3.9% for the benchmark, so the gap is closing rather than closed.

Market Overview

August was the month the rotation finally paid. The All Ordinaries Accumulation Index returned 1.9%, 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

Ramelius Resources (RMS) was comfortably the largest contributor and is now the portfolio's largest holding at 7.4%. Spot gold rose around 10% during August to roughly US$4,456 an ounce, and the ASX gold sector gained almost 34%, lifting its weight in the ASX 200 to around 6.1%. Ramelius was bought in late July into a sector-wide pullback, on a June quarter that produced a record 68% operating margin, all-in sustaining costs of $1,973 an ounce and a $649.6 million cash and gold balance. This is what a concentrated portfolio is supposed to do when a position is bought at the right price.

Xero (XRO) was the second largest contributor as the software names led the global technology recovery in August, with solid earnings offsetting the AI displacement concerns that drove July's selling.

Whitehaven Coal (WHC) rebounded strongly after July's weakness, helped by firmer energy markets and continuing volatility in oil on US–Iran tensions. Firefly Metals and Light & Wonder also contributed materially.

Generation Development Group (GDG) was the largest detractor. The FY26 result on 27 August showed revenue up 23% to $178.7 million and underlying net profit up 21% to $40.7 million, with record funds under management of $46.4 billion, but the shares fell around 14% on the day to near their 52-week low on operating cost growth and flat earnings per share. The stock is now down around 40% over twelve months despite the flows continuing to compound. We have held the position rather than added to it while the cost question is open.

Life360 (360) was the second largest detractor, falling 16% on 10 August after a second quarter that grew revenue 38% to US$159 million, advertising revenue 315% and adjusted EBITDA 53%, but maintained rather than raised full year guidance. We topped the position up on 24 August to restore its target weight. HUB24 also detracted after its strong July.

South32 (S32) was exited in full on 12 and 14 August at a ten-year high, after a 99% twelve month return. The FY26 result on 27 August was strong and the shares ended the month near their 52-week high. This was an early exit and we say so plainly, but it funded the largest single reallocation this portfolio has made in a year.

High Conviction established six new positions during August and moved cash from 18.7% to 4.1%, which is effectively fully invested. Perpetual was built to 5% across five purchases, on a result showing underlying profit up 6% to $217 million and the Bain Capital wealth sale due to complete late in the calendar year. Austal was built to 4% ahead of its 31 August result, on a defence shipbuilder trading at less than half its 52-week high. Worley was established at 4%, Lendlease and Elders at 2% each and Jumbo Interactive at 1%.

Outlook

The portfolio now holds 21 positions with cash at 4.1%, which is the most fully invested it has been in this cycle. That is a deliberate statement. The names added in August are domestic, cash generative and priced well below where the market valued them a year ago, and they were funded by selling two positions that had done their work.

The twelve month numbers remain uncomfortable and we are not going to pretend otherwise. What changed in August is that the portfolio's positioning stopped working against it. Whether that continues depends on the resource complex holding its gains and on the domestic names we have just bought delivering through the first half. We are comfortable being judged on both.

Portfolio Data — August 2026

Top Contributors	RMS, XRO, WHC, LNW, FFM	Bottom Contributors	GDG, 360, HUB, BRG, CAT
Top Holdings	RMS 7.4%, ZIP 6.6%, XRO 6.6%, BRG 6.1%, FFM 6.0%	Entries	PPT 5%, WOR 4%, ASB 4%, ELD 2%, LLC 2%, JIN 1%
Exits	S32	Adds / Trims	360 topped up to target
Cash Weighting	4.1% (prior month 18.7%)	Change	-14.6%

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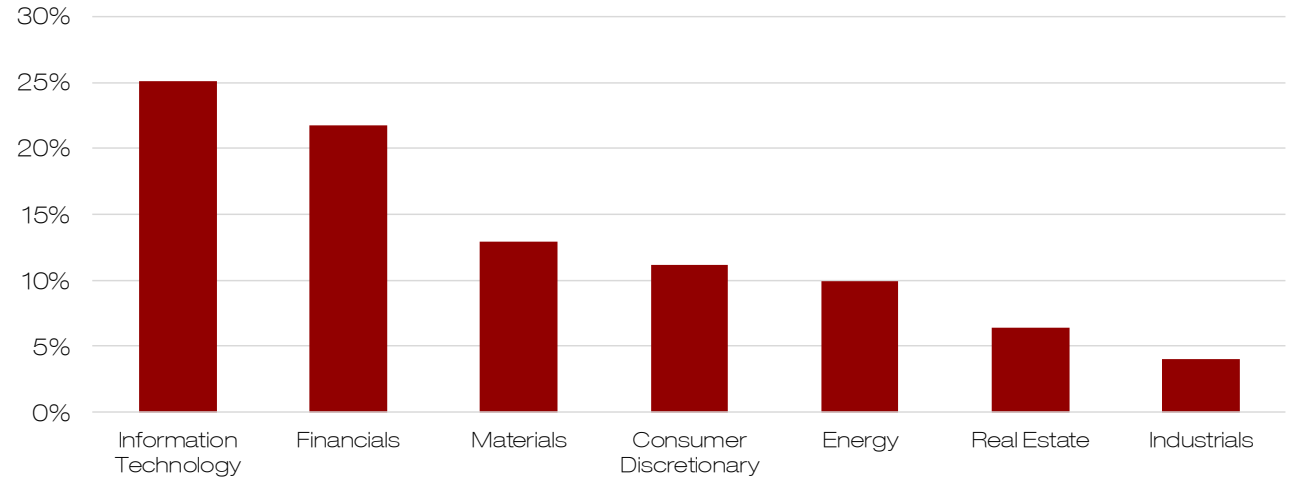
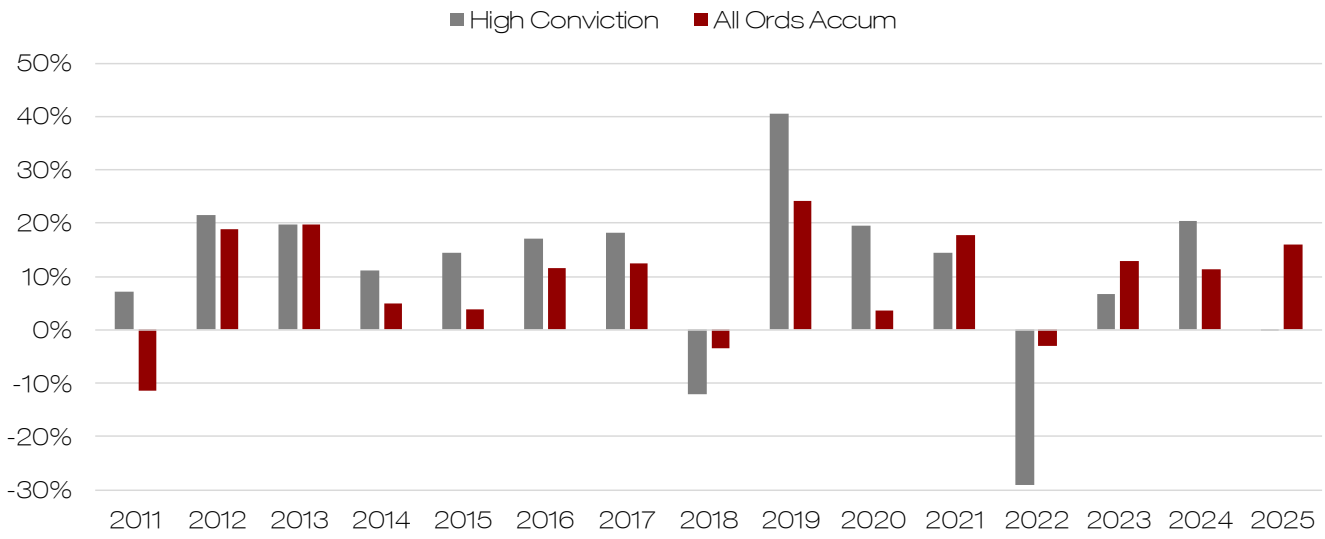
Portfolio Factsheet

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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