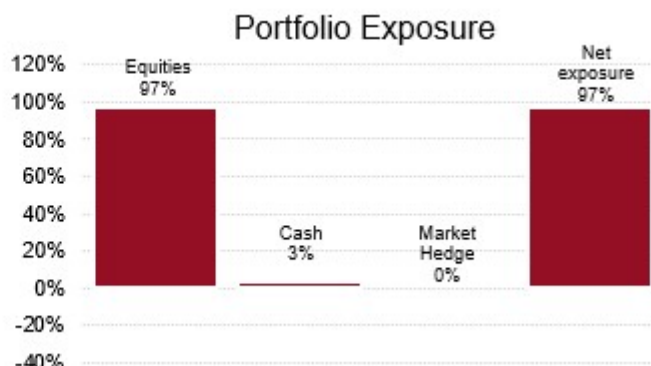
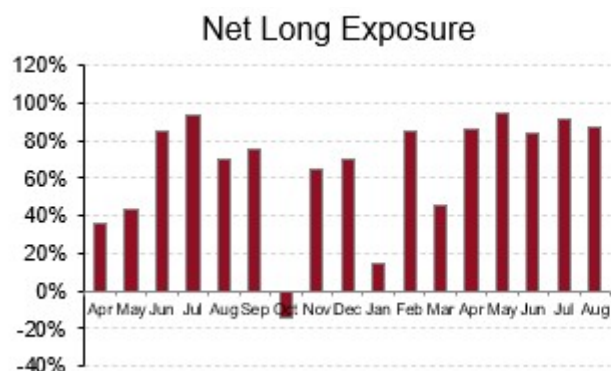
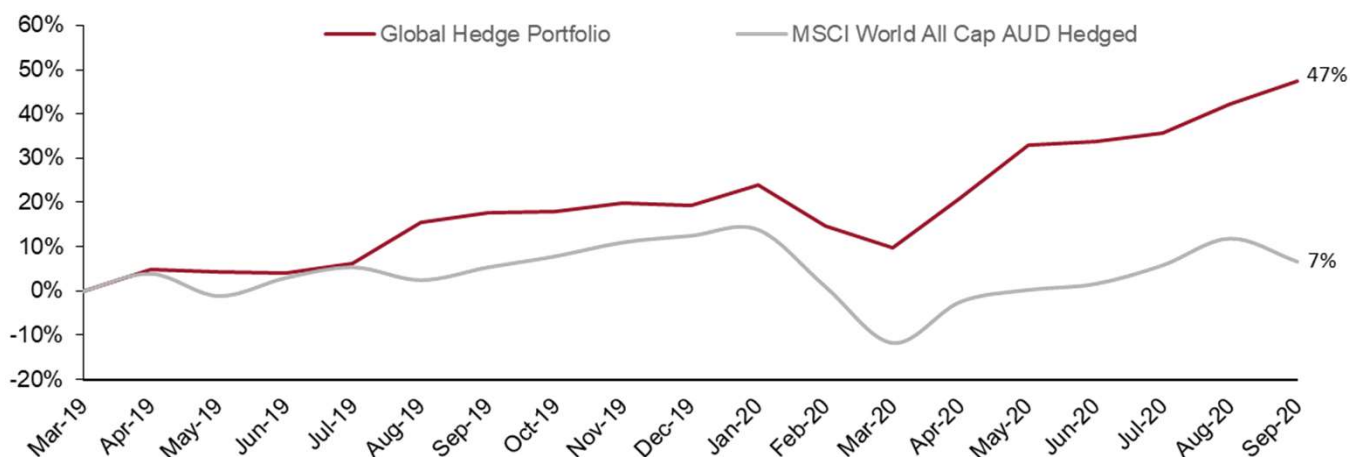


September 2020 Summary

Net Performance	Month	Quarter	Year	Inception (Apr 19)
Global Hedge Portfolio	3.7%	10.3%	25.4%	47.5%
MSCI World Total Return (AUD)	-4.7%	5.0%	1.2%	6.7%
Outperformance	8.4%	5.3%	24.2%	40.8%

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY
2020	3.8%	-7.4%	-4.4%	10.2%	10.0%	0.6%	1.5%	4.8%	3.7%				19.1%
2019	-	-	-	5.0%	-0.7%	-0.3%	2.3%	8.6%	1.9%	0.2%	2.1%	-1.0%	20.3%



Portfolio Characteristics

Universe	Global
Holdings	15-25
Avg. Mkt Cap	\$24b
Avg. Daily Turnover	\$554m
Max Net Exposure	100%
Mgmt. Fee	1.35%
Perf. Fee	15%
Hurdle Rate	7%
Portfolio Manager	Hayden Beamish

Top Holdings

Index Limited
Twitter Inc
Alibaba Group
Broadcomm Inc.

Avg. Exposure

Net	67%
Gross	99%
Cash	18%

Top Contributors

Nasdaq Hedge
Twitter Inc
Index Limited
Cedarwoods Properties

Top Detractors

Superloop Ltd
MNF Group
Omni Bridgeway

Performance Metrics

Best Month	10%
Worst Month	-7%
Beta	0.5
Sortino Ratio	8.4x
Upside Capture	90%
Downside Capture	0%
Up/Down Capture	249x
Gain/Pain Ratio	4.1x
Monthly St. Dev.	5.1%

Investment Philosophy

Use hedging to **protect against capital loss** and to reduce risk

Hold only the best investment ideas in a **high conviction, concentrated portfolio**

Remain long biased with **less volatility** and **lower downside** the MSCI Global Equity Index

Use **bottom up, fundamental research** to identify **mispriced securities** over a 3-year time horizon

Focus on **high quality businesses** that can compound internally invested capital at **high rates of return**

Maximise investment returns through **fundamental company research** combined with active portfolio management

Note: Endeavor Hedge portfolio were initiated on 8 April 2019. The performance of the strategy is representative of individual client portfolios and is measured after fees and brokerage..

Portfolio Review

In September, the **Hedge portfolio returned 3.7% net of fees compared to the MSCI Global All Cap AUD Hedged ('MSCI') which declined 4.7%**. For the quarter, the Hedge portfolio returned 10.3% compared to the MSCI 5% and for the **rolling year the portfolio has returned 25.4%** compared to the MSCI 1.2%.

The portfolio has returned 30% annualised after fees since inception in April 19 with a significantly lower risk profile than the MSCI which has returned 4% annualised. The favourable risk / reward is evident in the risk statistics which includes the Sortino Ratio of 8.4x, Upside Capture of 90%, Downside Capture of 0% and Beta of 0.5x (half the volatility of the MSCI).

September Quarter

During the quarter we saw the US Federal Reserve shift to average inflation targeting which will allow inflation to run above target for longer than under the previous approach. In Australia, the RBA flagged lowering interest rates "a little more without going negative" along with yield curve control beyond the current program which has pinned the three-year government bond yield at 0.25%. One key implication of the policy changes is that rates are likely to remain lower for even longer which should help support equity valuations and the economic recovery.

During the month it was evident that some of the better performers were from stocks impacted by Covid that attracted investors attention as they look forward Covid restrictions ending and economies reopening. The potential rotation away from crowded trades with stretched valuations is a theme that we highlighted in previous newsletters and adjusted the portfolio for accordingly.

We remain focused on finding best in class businesses that can grow earnings above market expectations but importantly, our 'growth style' investments have reasonable valuations and significant upside over the next three to five years.

Portfolio Commentary

The top contributors for the quarter were Redbubble, Twitter, Alibaba and Imdex. The detractors were Nanosonics, Omni Bridgeway, Polynovo and Mynetfone.

We added **National Australia Bank** (\$61b market capitalisation) to the portfolio during the quarter after the Morrison government pledged to roll back responsible lending regulations and reduce red tape in the sector. We think this will lead to an increase in the availability of credit, accelerating mortgage credit growth along with faster approval times for mortgages. Less regulation will increase the competitiveness of the banks and we believe after a five-year period of negative shareholder returns the valuations now look attractive.

The market continues to present investment opportunities in companies that are both benefiting and being impacted by Covid. A relatively new holding in the portfolio that we think will benefit from an end to the Covid lockdowns is fast fashion jewellery retailer **Lovisa Holdings** (\$800m market capitalisation). Whilst, Lovisa has been impacted by Covid lockdowns it has been able to preserve its balance sheet. We think the medium to long term growth prospects for Lovisa's global retail rollout plans are still intact with any short-term challenges, reflected in the share price.

Cedarwoods Properties (\$500m market capitalisation) increased 8.3% for the month and 9.7% for the quarter. Cedarwoods benefited from a buoyant Perth property market supported by government stimulus, low vacancy rates, a strong economy and net interstate migration. We believe the strong sales growth will continue in Perth, albeit not at the levels experienced last quarter, and we remain optimistic about the Victorian property market which accounts for 20% of the land bank. Cedarwoods pays a 4% fully franked yield and trades below the market value of the assets.

Covid beneficiary holding, online retailer **Redbubble** (\$1b market capitalisation) rallied 100% in the September quarter. Redbubble's artist community powered online retail platform is benefiting from the structural shift in consumer spend to online, along with the company's ability to add new products quickly to benefit from shifts in consumer trends.

Automotive vehicle financier **Money3** (\$400m market capitalisation) was a positive contributor to the portfolio in the September quarter following a FY20 earnings beat underpinned by a quality loan book. Used car sales volumes and prices continue to trend higher and we think Money3 is set to benefit from a return to normality when it eventuates.

The December quarter outlook, portfolio holdings and sector positioning are on the following page.

Portfolio Review

December Quarter Outlook

As always, the macro picture is only ever clear in hindsight. Currently, governments are committed to supporting their economies and people through the covid crisis and ensuring that growth will bounce back once the virus is behind us. While the eventual cost is still unknown, we are anticipating the central bank stimulus may result in inflation and higher taxes and we are constantly assessing the impact on the portfolio.

We still do not know when there will be a vaccination and how effective it will be, but we are encouraged by the number of vaccinations progressing globally. Another factor which gets less media attention is the therapeutic solutions for Covid, of which there are currently 663 candidates in FDA approval phases 1 to 3.

Focusing on Australia, in early October Treasurer Josh Frydenberg delivered a consumer and business friendly budget that has considerable implications for Australia. We expect consumer discretionary stocks to be boosted by \$12.5b worth of tax cuts backdated to July 2020. Businesses with revenue up to \$5b will benefit from the ability to fully depreciate assets which is a clear positive for businesses with <\$5b turnover along with retailers that may benefit from increased business spending. The government has also lifted the asset write off cap from \$30,000 to \$150,000 which is a positive for numerous companies in the portfolio.

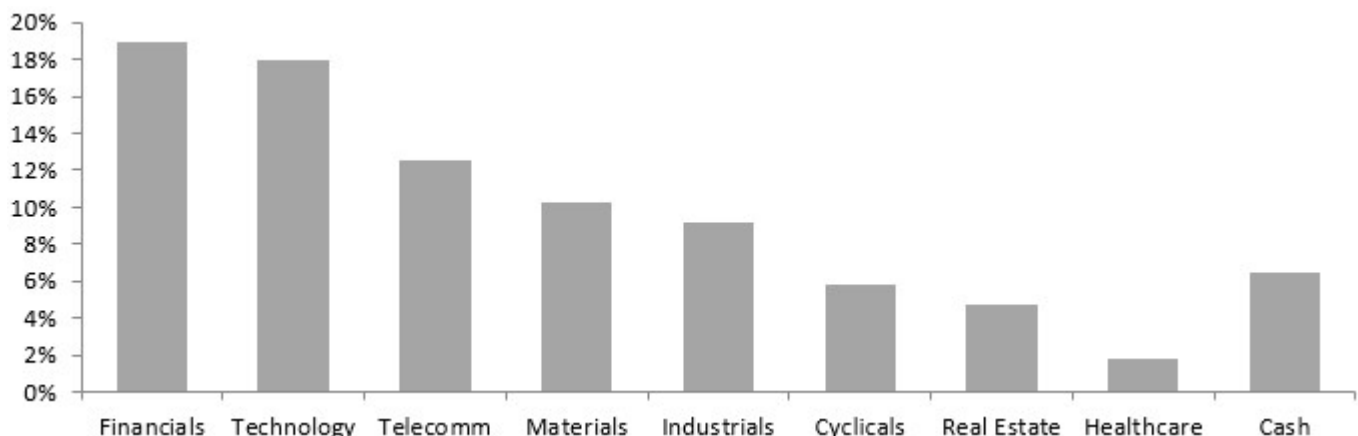
Infrastructure continues to receive support with an additional \$10bn planned over the next four years. The government also extended the home loan deposit scheme, which has positive implications for holding Cedarwoods Properties.

Whilst we keep an eye on the macro, we spend far more time on individual business quality for the basis of our investments. Our investment process relies on identifying high quality business models with aligned and capable management at an attractive valuation.

We feel our portfolio are well positioned regardless of the economic fallout from Covid and timing of the end of lockdowns and a return to normality. We are cognisant of the recent bull run in equity markets and as always have been active in taking profit and ensuring our weightings in companies that have had very strong runs are managed accordingly.

Top Portfolio Holdings and Sector Allocation

Company name	Enterprise Value	Portfolio Weighting	EV/EBITDA (FY1)	EBITDA Growth (FY2)	EBITDA Margin (FY1)	P/E (FY1)	EPS Growth (FY2)	PEG	ROE (FY1)	ROIC (FY1)
Index	\$531m	6.4%	8	7%	25%	29	47%	0.8x	10%	7%
Twitter	\$31,525m	5.9%	37	-6%	25%	n/a	n/a	n/a	19%	-6%
Alibaba Group	\$730,869m	5.6%	22	14%	31%	29	22%	1.2x	24%	14%
Broadcom	\$189,558m	5.1%	13	15%	56%	17	15%	1.6x	11%	15%
NRW Holdings	\$1,006m	5.2%	3	13%	12%	9	11%	1.1x	19%	13%
National Australia Bank	\$210,965m	5.0%	n/a	2%	n/a	14	13%	0.9x	9%	2%
Cedarwoods Properties	\$685m	4.8%	10	n/a	15%	16	28%	1.1x	6%	n/a
USA Industrial Sector ETF	n/a	4.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Caterpillar Inc	\$110,139m	4.6%	13	6%	15%	28	40%	0.8x	43%	6%



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