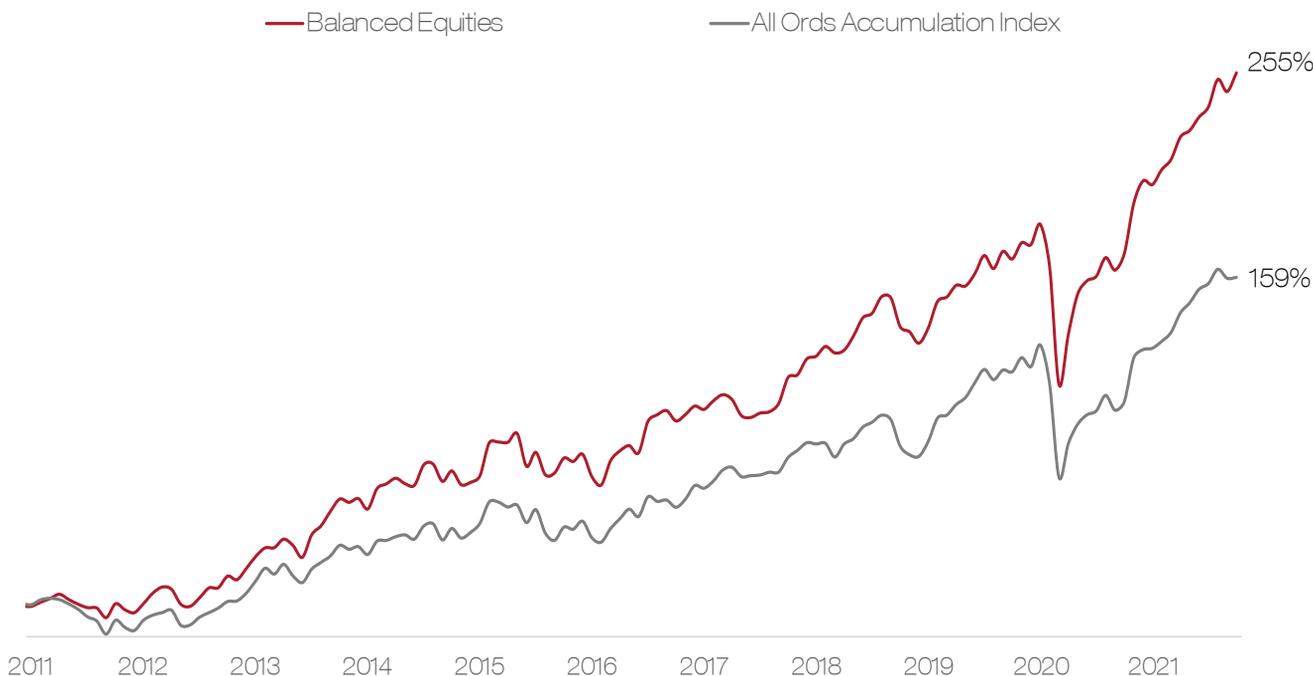


Balanced Equities

October 2021

Performance*	Month	Quarter	One Yr	2 Yr p.a.	3 Yr p.a.	5 Yr p.a.	10 Yr p.a.	11 Yr p.a.	Inception
Balanced Equities	2.6%	4.7%	31.4%	15.2%	14.6%	13.2%	12.9%	12.1%	255%
All Ordinaries Accum.	0.2%	1.1%	29.0%	9.8%	12.9%	11.4%	10.2%	8.8%	159%
Outperformance	2.4%	3.6%	2.4%	5.4%	1.7%	1.8%	2.7%	3.3%	96%



Top Contributors

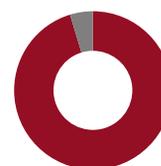
Challenger Limited
Macquarie Group Ltd
Silver Lake Resources

Top Holdings

ASX 200

Challenger Limited
Commonwealth Bank
CSL Limited
Macquarie Group Ltd
National Australia Bank

Cash Weighting



■ Equities 95% ■ Cash 5%

Bottom Contributors

BHP Group
Kogan.Com Ltd
Polynovo Limited

Ex 200

Catapult Group
Imdex Limited
Lifestyle Communities
Money3 Corporation
Trajan Group

Portfolio Characteristics

Low/Moderate Risk
85% ASX200 Limit
15% Ex200 Limit
20-35 ASX Listed Equities
Unconstrained Cash
All Ords Accum. Benchmark

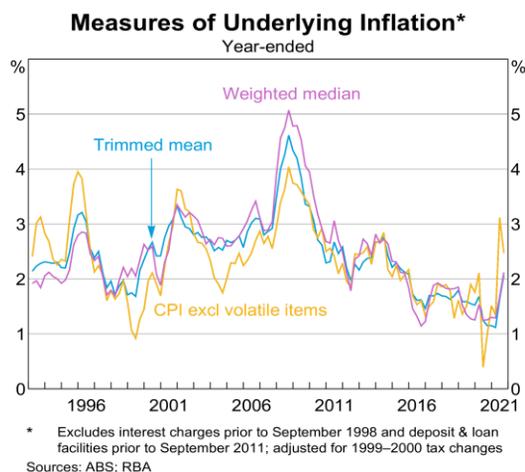
*Note: Performance of the strategy group is representative of individual client portfolios, although performance can differ due to inherent differences between clients' portfolios such as initial entry timing, legacy holdings or requested stock exclusions. Performance measured is after fees, taxes and franking credits. Monthly performance figures include an accrual for fees charged quarterly. Top holdings and contributors are listed in alphabetical order.

Portfolio Commentary

October 2021 ruled off the 11th year of the Endeavor Balanced portfolio's track record, and we are proud to have provided outperformance (net of fees) for our clients across all major performance periods in the above table.

The Balanced portfolio outperformed the All-Ordinaries Accumulation Index by 2.4% this month, returning 2.6% (net of fees). **This brings the one-year return to 31.4% (net of fees) against the benchmark of 29%.**

After recording its first loss in a year in September, October saw the All-Ordinaries Accumulation index print a modest 0.2% return. News flow was dominated by AGMs, trading updates, a rallying oil price, lifts on international travel bans for Australia, rallying bond yields and an Australian inflation print within the RBA's target range for the first time in 6 years.



Despite the inflation concerns, rising bond yields and an oil price up 11.4%, counter-intuitively Technology was the best performing sector whilst Energy and Industrials were amongst the worst, down 2.7% and 3.25% respectively.

On Wall Street, solid earnings reports coupled with better-than-expected economic releases saw the S&P500 close up 6.9% for the month, suggesting that equity markets can sustain gradual lifts in yields whilst accompanied by rising earnings per share.

Notable contributors for the month were **Silver Lake Resources**, **Challenger** and **Macquarie Group** whilst **Kogan.com**, **Polynovo** and **BHP** detracted.

West Australian Gold producer **Silver Lake** was the second-best performing S&P/ASX200 constituent for the month, closing up 26.5% and the best contributor to the portfolio. We held SLR through a

disappointing production outlook for FY22 and then a pullback in the gold price based on valuation grounds, trading at ~4x price to free cash flow 2 years out at it's recent lows.

Macquarie Group was a positive contributor to performance during the month and surprised the market at its 1H22 result with a capital raising and ~6% beat to earnings expectations. Macquarie's business units appear to all have earnings momentum at the moment, and whilst commentary was vague on the specifics of the use of proceeds from the capital raise, it comes at a time when the group's capital velocity is increasing. A positive for performance fees. Macquarie has positioned itself to benefit from a number of megatrends including demographics, climate change and public spending on infrastructure and remains a core holding for the portfolio.

Polynovo provided a 1Q22 sales update during the month, which displayed green shoots of strong growth after what has been a very challenging period for the business following the fallout of Covid. Polynovo's flagship product is used to repair the multiple layers of skin that are damaged in deep burns or wounds. Sales in the UK, Ireland and Europe were up 327% and 204% on the prior year respectively, which is encouraging. However, there were mixed results in Australia and the US as Covid and lockdowns impacted some regions more than others. Despite the prolonged impacts, the investment thesis remains intact. There are multiple further uses for Polynovo's technology which are yet to be commercialised which surgeons are discovering and driving, these provide upside to the current valuation. Further GPO agreements and the rollout of sales teams is expected to drive sales growth over the balance of FY22. Polynovo closed down 5.5% for the month.

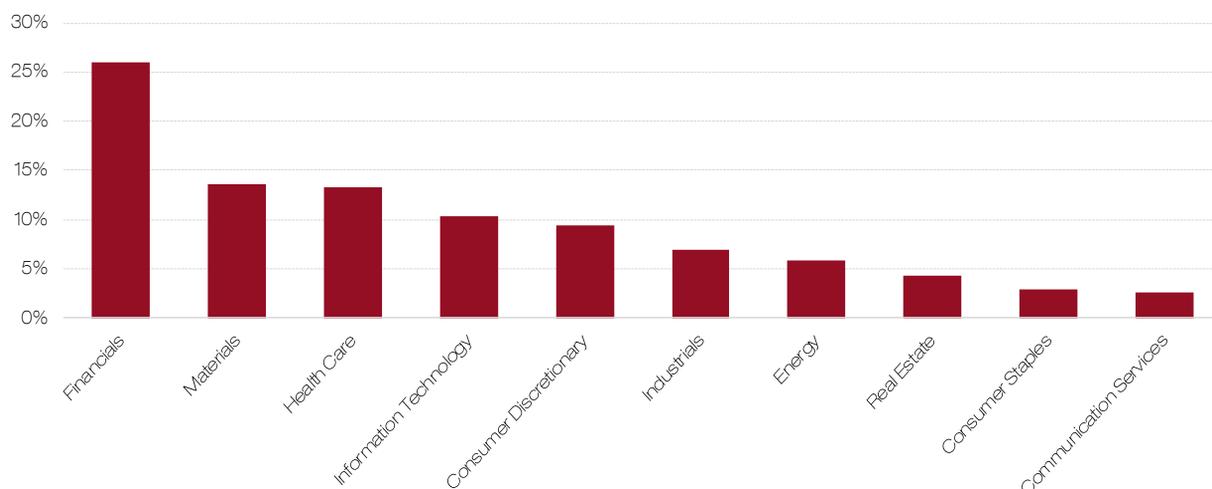
Online retailer **Kogan** was down 9% in October. The market initially reacted positively to Kogan's trading update for the September quarter with revenue and earnings above consensus estimates, but subsequent lower earnings expectations due to a higher investment in marketing has resulted in a pullback. We remain attracted to KGN's long term growth opportunity of taking market share in a rapidly growing online retail market in Australia.

The cash levels in the portfolio have modestly climbed over the previous months and this presents the opportunity to lift the weightings on high conviction holdings as well as adding new positions.

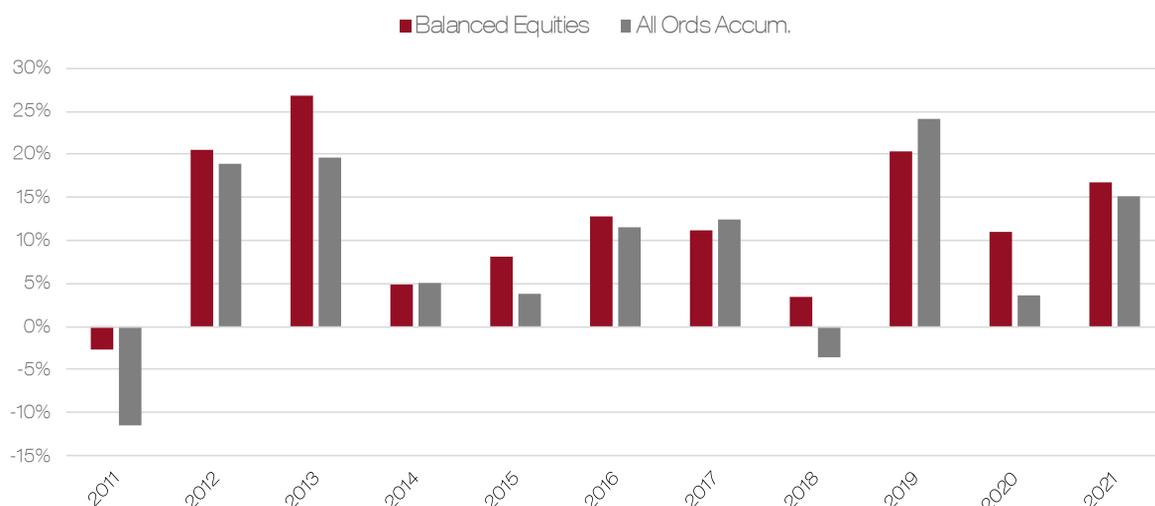
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Portfolio Factsheet - October

Industry Exposures



Annual Return Chart



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 investment 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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