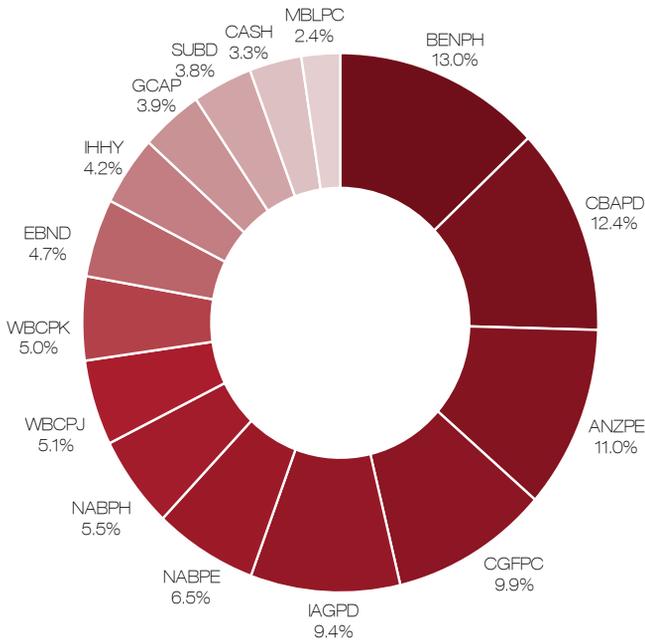


## December 2021 Summary



### Portfolio Strategy

This income strategy is designed for clients who want a better return than term deposits and cash while also having 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 + 2.5 - 3.5%.

### Portfolio Characteristics

Inception Date	2/09/2019
Benchmark	RBA Cash Rate
Weighted Avg. Maturity	2.70
Return Since Inception	3.9% p.a.
Benchmark Return Since Incept.	0.3% 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.*

December saw a return to more “normal” trading patterns and volatility across all markets. For us that meant we clawed back the small loss in November, and then added some impressive upside to finish up 0.92% in December.

October and November were “risk off” months as the market positioned itself for the new Covid variant, and the maybes and what ifs of inflation and what it might all mean. By December when the Fed told the market to expect rate rises sooner and larger than all had been expecting even two months ago – the market took it in its stride and in fact it became the trigger to buy. Here in the land of Oz where the porridge still seems to be just right, we are still being told no rate rise until 2023.

Portfolio wise we bought more of the soon to mature ANZPE. Its percentage return for such a short-dated instrument was very good at one point in the month. There’s still more to play out in the world of global economics; supply chain, Covid, China US relations for example – but that’s always the case.

Any questions please call me.

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