

The Fund's objective is to provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognised exchanges and/or markets throughout the world. The portfolio may include investments in the securities of companies traded, listed or due to be listed, on recognised exchanges and/or markets, or developing countries.

Top 10 Holdings

As at 30 September 2023

Betashares Japan ETF	5.10%
CME Group Inc	4.96%
Microsoft Corporation	4.96%
Freeport-McMoran inc	4.49%
Ishares 1-3 Year Treasury Bond	4.41%
Diageo plc	4.28%
Alphabet Inc Class C	4.14%
Novo Nordisk	4.13%
Johnson & Johnson	4.02%
Amazon.com Inc	3.94%



Market Update and Commentary

International share markets were lower again in September. The S&P 500 fell 4.87%, Japan's Nikkei fell 2.34%, Europe's STOXX 600 fell 1.74%, China's Shanghai Composite fell 0.30%, while the UK's FTSE 100 rose 2.27%. It was the biggest monthly decline for US equities since December last year and the first back-to-back monthly declines in a year. The Nasdaq fell the most, down 5.81% as bond yields continued to rise, but is also still up the most year to date. The good economic news became bad news for equities with the data continuing to show much less impact from the massive 525 basis point increase in the Fed Funds Rate than might have been thought initially. The data is keeping bond yields elevated, and further rate hikes on the table, weighing on equity valuations and have also seen a slowing in the disinflationary trends evident in the earlier and middle part of the year. The US labour market remains strong but has cooled from overheating levels seen earlier this year. The July JOLTS job openings report fell more than expected and the lowest since March 2021. The Nonfarm payrolls increased by another 187K jobs and ahead of consensus although prior months saw large downward revisions and the unemployment rate unexpectedly rose to 3.8% as the participation rate increased, while the weekly initial jobless claims were well below expectations and the lowest since January. US recession odds were wound back further as September quarter GDP growth expectations continued to be revised higher. The recent trend of softer housing data following a strong rebound earlier this year contrasted with the continuing pick-up in manufacturing indicators. The NAHB housing market index fell, missing estimates for the 2nd month in a row and the lowest since April. Existing home sales unexpectedly fell, and new home sales fell to a 5-month low. The New York Fed's Empire Manufacturing survey, Richmond Fed manufacturing index and Markit Manufacturing PMI were all better than expected. The August ISM Services index rose to 54.5, well ahead of the 52.4 expected and expanding for the eighth consecutive month (services make up around ¾ of the US economy). Retail Sales for August unexpectedly jumped 0.6% for the month. The August CPI report showed inflation persisting at a slightly higher than expected rate. Headline CPI increased 0.6% for the month, the biggest monthly increase in 14 months. Annualized CPI rose to 3.7%, up from 3.2% last month. Although the Personal Consumption Expenditure data showed Core Inflation up 3.9% for the year, the lowest annual rise since May 2021. The Federal Reserve held rates steady at 5.25 - 5.50% as expected but takeaways leaned hawkish as the economic data has largely been surprising to the upside for much of this year. The updated Summary of Economic Projections (the dot plots) showed the Fed maintaining their forecasts for another hike this year and reduced their median forecast for the 2024 pivot. Waning disinflation trends received further attention with the oil price hitting a 13-month high late in the month.

The Portfolio fell 3.99% in September while the benchmark fell 3.70% in AUD terms.

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Refer to our Financial Services Guide (FSG) for more information. Our publication should be viewed as an additional investment resource, not as your sole source of information.



There were no changes to the Portfolio in September.

The largest contributors to the Portfolio in September were CVS Health (CVS) up 7.48%, Shell (SHEL) up 4.43%, and the India Avenue Fund up 1.45%. The largest detractors were Diageo down 9.60%, Thermo Fisher (TMO) down 8.78%, and Apple (AAPL) down 8.57%.

Schlumberger (SLB) upgrades revenue guidance. Schlumberger, the world's largest offshore drilling company and the world's largest offshore drilling contractor by revenue, at the Barclays CEO Energy-Power Conference in New York last month said they are on track to add ~\$5B in revenue and \$1.5B in EBITDA compared to 2022. With potential to add similar revenue and EBITDA growth in 2024 thanks to a recent resurgence in offshore and international drilling. Previous guidance was for revenue growth of \$4.2 billion. Deepwater production remains the fastest-growing upstream oil and gas segment with production set to increase by 60% by 2030. Ultra-deepwater production is set to continue growing at breakneck speed to account for half of all deepwater production by 2030 according to recent report from consultants Wood Mackenzie.

Verizon (VZ) increases dividend for 17th consecutive year. Verizon, one of the world's leading providers of technology and communications services, increased their quarterly dividend last month to 66.50 cents per share, from 65.25 cents last quarter and is the 17th consecutive year Verizon's Board has approved a quarterly dividend increase, with the stock trading on around a 7% dividend yield. "Our consistently disciplined approach to driving strong cash flow, operating the business, and serving our customers has once again put the Board in a position to raise the dividend," said Chairman and CEO Hans Vestberg. "We continue to deliver value to our shareholders as we execute our network-as-a-service strategy."

India Avenue Equity Fund capturing strong returns. The India Avenue Equity Fund provides exposure to India equities as part of our emerging markets allocation. Their latest report shows them having another good year with a 23.10% p.a. return of over the last 3 years, outperforming their benchmark by 3.38% p.a. Manger comments from the report included "Over the last month we have started reducing our exposure to mid and small caps, given the outperformance of these stocks' relative to large cap stocks. In our view this is prudent given the significant returns from mid and small caps over the last 4-5 months. From here, we expect rising correlations of sectors and stocks after a period of low correlation, which was conducive for actively managed funds. The 61 stocks we hold in the Fund on 31 August 2023, range from a weighting of 4.6% to 0.3%, indicating a fairly diversified portfolio, with a cautious approach to taking on risk to one specific company or industry. In the longer-term we remain focused on finding companies exposed to growing addressable markets at what we feel are reasonable valuations."**

The above portfolio composition, weightings, and manager comments were current as of 30th September 2023. Past performance is not a reliable indicator of future performance. Returns are calculated and referenced in Australian Dollars before fees and net of franking credits.

Sector Exposure

	30/09/2023			
	% Wgt	Port	Bench	+/-
Communication Services	7.56	7.43		0.13
Consumer Discretionary	11.36	10.92		0.44
Consumer Staples	5.69	7.18		-1.49
Energy	6.63	5.42		1.21
Financials	12.47	15.96		-3.49
Health Care	15.96	11.86		4.10
Industrials	2.58	10.67		-8.09
Information Technology	11.15	21.26		-10.11
Materials	15.32	4.46		10.86
Real Estate	0.28	2.20		-1.92
Utilities	2.49	2.64		-0.15
Not Classified	8.51	0.00		8.51

Fund Facts

Investment Manager	Akambo Financial Group
APIR Code	ETL6769AU
Inception Date	16th February 2022
Benchmark	MSCI All CountryWorld Index (Net in AUD)
Management Fee	0.52%
Buy / Sell Spread	0.25% upon entry and 0.25% upon exit
Minimum Investment	\$20,000
Distribution	Annually end of June
Performance Fee	10% of the outperformance over the MSCI All Country World Index (Net in AUD) subject to an absolute return hurdle of the yield of a 10-year Australian Government Bond
High Water Mark	Yes

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Region of Risk

	30/09/2023		
	% Wgt		
	Port	Bench	+/-
North America	57.63	66.23	-8.60
South & Central America	0.33	0.90	-0.57
Western Europe	19.51	12.94	6.57
Asia Pacific	18.70	15.88	2.82
Eastern Europe	0.03	0.20	-0.17
Central Asia	3.46	1.96	1.50
Africa / Middle East	0.34	1.89	-1.55

Portfolio Characteristics

	30/09/2023		
	Port	Bmrk	Relative
# of Holdings	33.00		
Price to Earnings Ratio	17.75	19.64	-1.89
Price to Book Ratio	2.73	2.73	0.00
Dividend Yield	2.60	2.48	0.12

Investment Returns (net of fees)*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Since Inception
FY 21/22									-2.85%	-3.84%	-1.91%	-4.44%	-6.80%
Benchmark									-1.16%	-2.65%	-1.32%	-4.79%	4.90%
+/-									-1.69%	-1.18%	-0.60%	0.35%	-11.70%
FY 22/23	3.49%	-2.33%	-2.30%	3.11%	2.62%	-4.82%	2.55%	1.42%	2.81%	2.34%	-0.26%	1.28%	
Benchmark	5.97%	-1.97%	-3.58%	6.60%	2.70%	-5.46%	3.67%	1.41%	3.90%	2.69%	1.25%	2.57%	
+/-	-2.48%	-0.37%	1.28%	-3.49%	-0.07%	0.63%	-1.13%	0.01%	-1.09%	-0.36%	-1.51%	-1.29%	
FY 23/24	2.22%	0.79%	-3.99%										
Benchmark	2.80%	1.04%	-3.70%										
+/-	-0.58%	-0.25%	-0.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

	Akambo International Equities Fund	MSCI ACWI (net in USD)	-/+
Cumulative return (since inception 16/02/2022)	-6.80%	4.90%	-11.70%
Trailing 5 year return p.a.			
Trailing 3 year return p.a.			
Trailing 12 month return p.a.	10.11%	20.60%	-10.48%
Trailing 3 month return p.a.	-1.08%	0.02%	-1.10%

* Data sourced from Bloomberg.

Past performance is no indication of future performance. Investments may rise and fall in value and returns cannot be guaranteed. Returns are based on the mid-point of unit prices and are net of all fees and charges. Unless otherwise stated, all figures are in Australian dollars and include GST. Return calculations covering a period greater than 12 months assume the reinvestment of distributions.

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Investment Manager

Akambo Pty Ltd is an investment management and wealth advisory business which manages over \$1 billion for retail, wholesale, and not-for-profit entities. Founded in 2007, Akambo is owned and operated by highly regarded industry specialists, with a consistent track record of delivering strong risk-adjusted returns across a range of domestic and international asset classes. Foremost in the philosophy of Akambo is the protection of capital and the management of risk, which is driven by a strong focus on robust investment management processes and systems.

Fund Features

An international equities portfolio using the MSCI All Country World Index (Net in AUD) as its benchmark. A high conviction portfolio with a maximum 30 securities. The portfolio managers are "style agnostic" with the portfolio consisting of both "growth" and "value" investments. A focus on large capitalisation global companies with strong brand awareness. A "long only" strategy with an active cash weighting in order to manage risk.

Contact Details

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"The Fund's Target Market Determination is available here <https://www.eqt.com.au/insto>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e., the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed."

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