

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

Australian Dollar	9.73%
Shell PLC	6.48%
US Dollar	4.90%
Betashares Japan ETF	4.70%
Diageo PLC	4.68%
Alphabet Inc	4.60%
Lloyd Banking Group PLC	4.30%
Vaneck China New Economy ETF	4.09%
Apple Inc	3.87%
Citigroup Inc	3.85%



## Market Update and Commentary

Global share markets were mainly higher in May with the US S&P500 up 0.18%, Japan's Nikkei up 1.72%, China's Shanghai Composite up 4.76%, the UK's FTSE100 was up 1.13% while Europe's STOXX600 was down 0.61%.

The S&P500 posted its seventh weekly decline in a row during May, its longest weekly decline since 2001, with the Dow down eight weeks in a row for the first time since 1923, before a late month rally stemmed the monthly losses.

US jobs and wage data were very strong in May. The March JOLTS job openings report was up another 283,000 job openings to a new record 11.55 million vacant positions. The US Bureau of Labor Statistics released their quarterly Employment Cost Index that came in much higher than expected, rising +1.4% and above consensus estimates of +1.1%. Total worker compensation was up 5.8% annualised and the highest rate since 1989. The FOMC hiked rates 50 basis points as was broadly expected with the committee saying that members remain "highly attentive" to inflationary risks and that the balance sheet reduction will begin in June. The runoff is expected to start at \$30 bill per month for Treasuries and \$17.5 bill per month for Mortgage-Backed Securities.

The April Consumer Price Index came in higher than expected again with headline CPI up 8.3% over the year, ahead of expectations for an 8.1% annual increase. While inflation was again higher than expected, it did fall month on month from 8.5% with a "peak inflation" narrative emerging during the month. But as energy prices continued to climb during May, price pressures remained elevated.

The US Q1 earnings season largely wrapped up in May with S&P constituents registering 9.2% EPS growth from the year ago period. It was better than expected but the size of the profit and revenue surprises was below short- and longer-term averages. There was also a larger than average number of companies that guided to lower earnings for Q2. The pandemic winners of 2020 and 2021 were the amongst the biggest losers during reporting as pandemic tailwinds subsided and a shift in consumer spending back towards services and economic normalisation themes emerged. Inflationary pressures, supply chain issues and tight labour markets featured prominently in company commentary during reporting.

For US equities the Energy sector (+14.95%) led the gains followed by Utilities (+3.83%) and Financials (+2.57%) while REITs (-5.27%) led the declines followed by Consumer Discretionary (-4.91%) and Consumer Staples (-4.73%).

The Portfolio fell 1.91% for the month of May, while the benchmark fell 1.32% in AUD terms.

Changes to the Portfolio during May included exiting SAP (SAP) and Volkswagen (VOW3). We reduced positions in Apple (AAPL), the Japan ETF (HJPN), Microsoft (MSFT), Sony (SONY) and Freeport McMoRan (FCX). And added to positions in the China New Economy ETF (CNEW) and Lloyds Bank (LLOY) and increased cash. The largest contributors to the Portfolio in May were Citigroup (C) up 9.81%, Shell (SHEL) up 9.69%, Sony (SONY) up 8.36%, the China New ETF (CNEW) up 5.12% and Bank of America (BAC) up 3.34% for the month. The largest detractors were CME Group (CME) down 10.15%, the Gold Miners ETF (GDX) down 10.11%, Diageo (DGE) down 9.06%, Apple (AAPL) down 6.28% and Freeport McMoRan (FCX) down 4.47%.

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## Sector Exposure

	31/5/22		
	Port	Bench	+/-
Communication Services	5.24	7.60	-2.36
Consumer Discretionary	11.92	10.73	1.18
Consumer Staples	6.08	7.28	-1.20
Energy	6.61	5.17	1.45
Financials	16.31	15.13	1.18
Health Care	7.38	12.11	-4.73
Industrials	2.97	9.87	-6.90
Information Technology	15.91	21.00	-5.10
Materials	9.80	5.20	4.60
Real Estate	0.25	2.81	-2.56
Utilities	0.05	3.10	-3.05
Not Classified	17.50		17.50

## Fund Facts

Investment Manger	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

## Region of Risk

	31/5/22		
	Port	Bench	+/-
North America	49.97	63.93	-13.96
South & Central America	0.20	0.98	-0.78
Western Europe	23.75	13.92	9.83
Asia Pacific	22.08	17.44	4.64
Eastern Europe	0.02	0.14	-0.12
Central Asia	3.65	1.79	1.87
Africa / Middle East	0.32	1.80	-1.47

## Portfolio Characteristics

	31/5/22	Port	Bmrk	Relative
# of Holdings		29		
Price to Earnings Ratio		15.19	17.81	-2.62
Price to Book Ratio		2.22	2.69	-0.47
Dividend Yield		2.23	2.48	-0.25

## Investment Returns (net of fees)\*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 21/22									-2.85%	-3.84%	-1.91%	
Benchmark									-1.16%	-2.65%	-1.32%	
+/-									-1.69%	-1.18%	-0.60%	0.00%

	Akambo International Equities Fund	MSCI ACWI (net in AUD)	- / +
Cumulative return (since inception 16/02/2022)	-10.31%	-8.37%	-1.91%
Trailing 5 year return p.a.			
Trailing 3 year return p.a.			
Trailing 12 month return			
Trailing 3 month return			

\* 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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