

Akambo International Equities Fund

AFSL 322056

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 August 31, 2024

	Weight
Microsoft Corporation	5.42%
Betashares Japan ETF	5.34%
Bank of America Corp	4.96%
VanEck Gold Miners ETF	4.59%
Freeport-McMoran Inc	4.39%
Palo Alto Networks Inc	4.35%
VanEck MSCI International Small Companies ETF - AUD Hedged	4.13%
Linde PLC	4.00%
India Avenue Equity Fund	3.97%
Lloyds Banking Group plc	3.84%

Market Update and Commentary

August Update

International share markets were mostly higher in August. The S&P 500 rose 2.28%, Europe's STOXX 600 rose 1.33%, the UK's FTSE 100 rose 0.10%, while Japan's Nikkei 225 fell 1.16%, and China's Shanghai Composite fell 3.28%. US equities were off to a weak start in August. Recent economic data had been slowing but the weak July nonfarm payrolls report early in the month that showed the unemployment rate unexpectedly rising to a 3-year high of 4.3% triggered a growth scare with equity markets plunging and volatility spiking. A disorderly unwinding of global carry trades also contributed to falling equities and increased volatility. The S&P 500 was down over 8% from the all-time high from mid-July early in the month. Growth stocks fared worse with the Nasdaq down 13% from the all-time high and into correction territory. Fears then quickly subsided with global equities rallying sharply and the S&P 500 closing higher for the 4th month in a row. The Q2 US earnings season wrapped up in August. It was largely better than expected with the blended earnings growth rate for the S&P 500 at 10.9%, ahead of the 8.9% annual earnings growth rate expected at the start of the quarter. Results were good overall with 79% reporting actual EPS above estimates although the magnitude of the beats was small with the strong equities rally coming into the reporting season setting a high bar for expectations that some struggled to meet. Earnings guidance for Q3 was lowered slightly, consumer softness from lower socio-economic demographics in Q1 broadened out to middle class and aspirational in Q2, and the froth coming out of some AI stocks were some key take aways. Outside of the jobs report other data was ok, in line with an economy that is slowing from the rapid pace expansion of recent years. The July ISM Services at 51.4 was ahead of expectations and a decent step up on June's 48.8 that had unexpectedly fallen into contraction (below 50). July retail sales showed the largest monthly gain since January last year and the 2nd estimate for Q2 US GDP was revised higher to a strong 3%, up from the already stronger than expected 2.8% at the first estimate. Housing was mixed with the August NAHB Housing Market Index falling to the lowest since December. July US housing starts and building permits also missed but existing home sales increased. July CPI was better behaved again with annualized headline CPI at 2.9%, below the 3% expected and the lowest since March 2021. Fed Chair Powell said "the time has come for policy to adjust" at his highly anticipated speech at the Jackson Hole Symposium, in line with market expectations for the first Federal Reserve rate cut at the upcoming September FOMC meeting. While growth concerns at the start of the month eased as the month progressed, US equities did take on a defensive tone in August with the Consumer Staples (+5.78%), Real Estate (+5.64%), and Healthcare (+4.99%) sectors outperforming while the more cyclical and growth sectors such Energy (-2.32%), Consumer Discretionary (-1.08%), and Info Tech (+1.16%) underperformed.

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Monthly Performance:

The Portfolio fell 2.67% in August while the benchmark MSCI All Country World Index fell 0.90% in AUD terms. The largest contributors to the Portfolio in August were Palo Alto Networks (PANW) up 7.47%, CME Group (CME) up 7.15%, and Sony Group (SONY) up 5.95%. The largest detractors were Intel (INTC) down 30.56%, Schlumberger (SLB) down 12.35%, and Alphabet (GOOG) down 8.25%.

Portfolio changes:

Changes to the portfolio in August included switching our physical gold ETF from a currency unhedged (GLDN) to currency hedged (QAU) position with the relative outlook for the AUD improving. And reducing Novo Nordisk (NOVO) again after another strong run.

Company updates:

Apple (AAPL) - the largest company in the world by market cap, released better than expected Q3 results with Q3 EPS of \$1.40 ahead of the \$1.35 estimate. Revenue rose 5% for the year to \$85.78 billion ahead of the \$84.53 billion estimate. There was strong growth in the iPad division with revenue up 24% to \$7.16 billion in sales. In its largest, most important iPhone division (46% of the company's total sales) revenue of \$39.29 billion beat estimates but was flat year on year. Services revenue (now \$24.21 billion in Q3) continues to grow at around 14% per annum. Apple expects similar overall revenue growth in the current quarter but no meaningful AI update guidance yet with CEO Tim Cook saying Apple can't yet speak to the positive sales impact from its newly announced Apple Intelligence service until it starts shipping to customers in in Q4 or Q1.

Linde (LIN) - Leading global industrial gasses and engineering company, Linde, produced another solid Q2 result with Q2 EPS of \$3.85 ex-items ahead of the \$3.79 expected. Q2 revenue of \$8.3B was in line. FY guidance was updated to EPS in the \$15.40-15.60 ex-items range vs prior guidance \$15.30-15.60 also largely in line with the \$15.48 consensus. CEO Sanjiv Lamba said, "Despite the challenging macro, the Linde team again delivered high-quality results, growing EPS 8%, increasing ROC to 25.7% and expanding operating margins 140 bps, reaching 29.3%." Adding "Looking ahead, the economic environment remains uncertain. However, we are well positioned to win more than our fair share of high-quality projects and continue to create shareholder value."

Palo Alto Networks (PANW) - Leading cybersecurity firm, Palo Alto Networks reported a strong Q4 result with EPS of \$1.51 ex-items ahead of the \$1.41 expected. Total revenue for Q4 grew 12% year over year to \$2.2 billion. Net income for Q4 2024 was \$357.7 million up from \$227.7 million a year ago. For FY 2025 guidance was provided for total revenue in the range of \$9.10 billion to \$9.15 billion, representing annual growth of between 13% and 14%. Diluted non-GAAP net income is expected in the range of \$6.18 to \$6.31, representing annual growth of between 9% and 11%. "We finished off the year with strong execution on our platformization strategy in Q4," said CEO Nimesh Arora and Palo Alto is also boosting its buyback program by \$500 million, bringing the total amount remaining for share repurchases to \$1 billion.

**The above portfolio composition, weightings, and manager comments were current as of 31st August 2024. 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.

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Portfolio Details

Top 5 Contributors and Detractors

Contributors	● Palo Alto Networks Inc	Detractors	● Intel Corporation
	● CME Group Inc		● Amazon.com Inc
	● Sony Group Corporation		● Freeport McMoran Inc
	● BetaShares Gold Bullion ETF		● Alphabet Inc
	● Novo Nordisk		● Schlumberger Ltd

Portfolio Characteristics

31/08/2024	Port	Bench	Relative
# of Holdings	30.00		
Price to Earnings Ratio	19.47	21.47	-2.00
Price to Book Ratio	2.70	3.12	-0.42
Dividend Yield	2.72	2.03	0.69

Sector Weights

31/08/2024	% Wgt	
	Port	+/-
Communication Services	6.54	-0.93
Consumer Discretionary	10.74	0.75
Consumer Staples	1.24	-5.20
Energy	5.55	1.37
Financials	13.55	-3.08
Health Care	10.39	-1.08
Industrials	5.76	-4.83
Information Technology	23.17	-1.32
Materials	16.21	12.29
Real Estate	0.12	-2.01
Utilities	2.64	-0.05
Not Classified	4.09	4.09

Geography

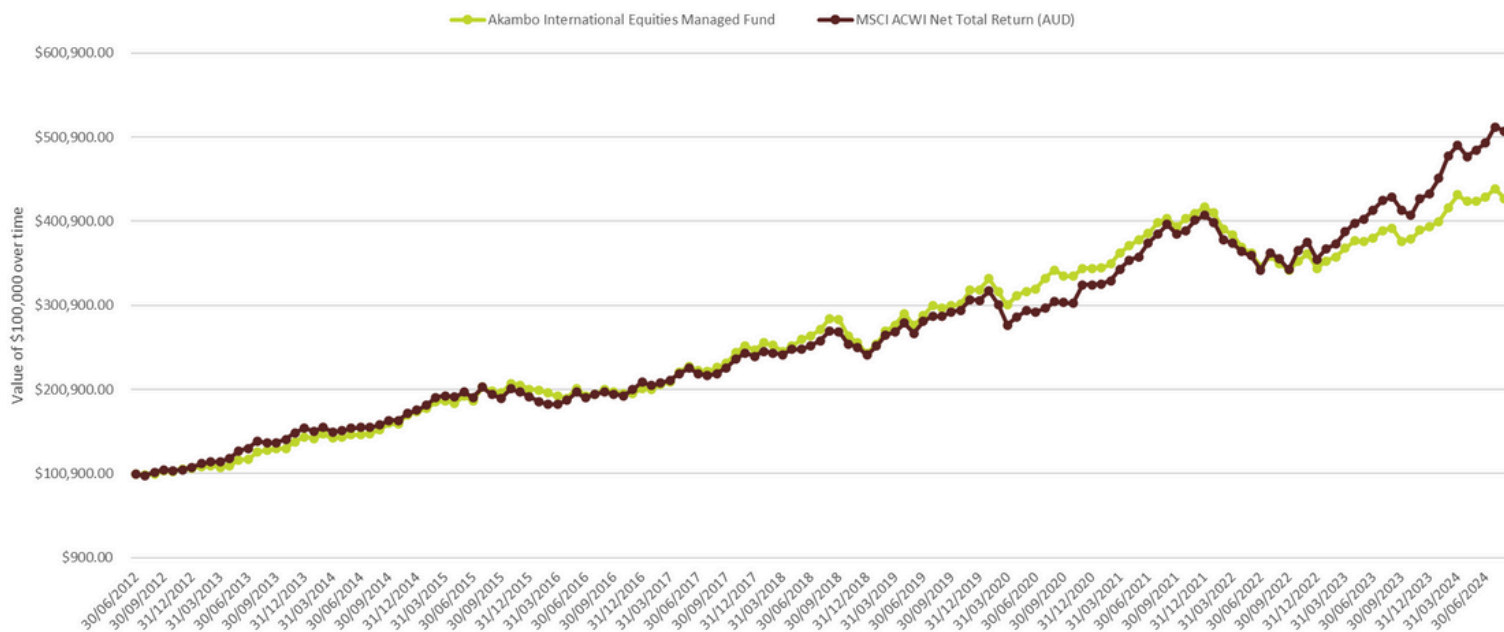
31/08/2024	% Wgt	
	Port	+/-
North America	59.58	-8.94
South & Central America	0.38	-0.41
Western Europe	17.12	4.69
Asia Pacific	18.61	4.02
Eastern Europe	0.05	-0.15
Central Asia	3.83	1.59
Africa / Middle East	0.43	-0.80

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Portfolio Performance

Akambo International Equities Managed Fund



Performance as at 31/08/2024	Akambo International Equities Fund	MSCI ACWI (net in AUD)	-/+
Since fund inception p.a 16/02/2022	4.52%	13.43%	-8.91%
Since strategy inception p.a 30/06/2012	12.70%	14.30%	-1.60%
10 year return p.a.	10.86%	12.35%	-1.50%
5 year return p.a.	7.53%	12.04%	-4.51%
3 year return p.a.	1.91%	8.58%	-6.66%
12 month return	8.99%	18.18%	-9.18%
6 month return	2.72%	6.23%	-3.51%
3 month return	0.86%	4.67%	-3.81%
1 month return	-2.67%	-0.90%	-1.77%

*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.

**The Akambo International Equities Fund (Fund) has been operating since 16/02/2022. The Fund employs the same International Equities strategy, that was used by Akambo who manage the Akambo International Equities strategy. To give a longer-term view of performance using this investment strategy, we have shown historical returns for the Akambo International Equities strategy. Returns shown for the period from 30/06/2012 reflect the returns of the Investment Strategy calculated after fees. This historical performance has been provided for information purposes only. While the strategy has been running since 1 July 2012, the Fund only became available/was inception in 16/02/2022. Accordingly, the actual performance of the Fund since its inception will be different to the performance of the strategy. Past performance is not a reliable indicator of future performance.

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Company Details

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.

Target Market Determination

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.

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.
- "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.
- A concentrated, large capitalisation global equities exposure through the one fund.
- A highly regarded investment management team with extensive experience, demonstrating robust investment and risk management processes and approach.

Contact Details

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Equity Trustees Limited (“Equity Trustees”) (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Akambo International Equities Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Akambo Financial Group ACN 123 078 900 is the Investment Manager of the Fund AFSL 32205.



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