

# 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 30 September 2024

	Weight
Microsoft Corporation	5.92%
Betashares Japan ETF	5.29%
Freeport-McMoran Inc	4.88%
Amazon.Com Inc	4.71%
Bank of America Corp	4.65%
VanEck Gold Miners ETF	4.55%
VanEck MSCI International Small Companies ETF - AUD Hedged	4.16%
Linde PLC	3.97%
Palo Alto Networks Inc	3.94%
Thermo Fisher Scientific Inc	3.87%

## Market Update and Commentary

### September Update

**International share markets** were mixed in September. The S&P 500 rose 2.02%, Europe's STOXX 600 fell 0.41%, the UK's FTSE 100 fell 1.67%, while Japan's Nikkei 225 fell 1.18%, and China's Shanghai Composite surged 17.39%. Global equities were off to a weak start again in September with growth jitters from the August spike in volatility persisting. The S&P 500 was down over 4% in the first week of the month before closing September higher with the S&P 500 and Dow both up for a 5th straight month. It was also the end of another strong quarter with the Dow up 8.21%, the S&P 500 up 5.53%, and the Nasdaq up 2.57% in Q3. The S&P 500 was up for the fourth consecutive quarter and seven of the past eight with the eight-quarter rally off the late 2022 lows seeing the S&P 500 gaining 62%. Economic Data continued to come in on the soft side early in the month. The US August ISM Manufacturing index was lower than expected as were the July JOLTS job openings falling to the lowest since January 2021. The Fed's August Beige Book also showed broader softness with nine districts (out of 12) reporting flat or declining activity, up from five districts at the June Beige Book. But the data started to firm up as the month progressed with the August ISM Services rising more than expected. US August retail sales rose 0.1% for the month, ahead of expectations for a 0.2% decline. And the NAHB Housing market index rose to 41 in September snapping a 4-month losing streak. The annual US headline inflation rate had a decent fall with the CPI rising 2.5%, down from 2.9% last month, below expectations and the smallest year-on-year rise since February 2021. Core CPI on the other hand rose more than expected for the third-straight month although annual core CPI of 3.2% was in line. Equities were buoyed as the Federal Reserve's kicked off the easing cycle with a jumbo 50 basis cut to the 4.75%-5% range that markets had been increasingly pricing in during the month. The policy statement noted "Recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have slowed, and the unemployment rate has moved up but remains low. Inflation has made further progress toward the Committee's 2 percent objective but remains somewhat elevated." Fed Chair Powell stating during the press conference "The US economy is in a good place and our decision today is designed to keep it there," with equities finishing the month on a positive note although geopolitical tensions, particularly in the Middle East, escalated further. The Consumer Discretionary sector up 7.02%, Utilities up 6.43%, Communications Services up 4.53% were the best performing sectors during September while Energy down 2.79%, Healthcare down 1.82%, and Financials down 0.66% underperformed.

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## Market Update and Commentary

### Monthly Performance:

The Portfolio fell 0.41% in September while the benchmark MSCI All Country World Index fell 0.35% in AUD terms. The largest contributors to the Portfolio in September were the China New Economy ETF (CNEW) up 23.52% as Chinese equities surged on the stimulus announcements, Freeport McMoran (FCX) up 10.25% as base metals also rallied, and Eaton (ETN) up 5.6%. The largest detractors were Novo Nordisk (NOVO) down 17.27% as some froth came out of the weight loss drug space, Shell (SHEL) down 9.75% on the lower oil price, and ASML (ASML) down 9.47%

### Portfolio changes:

Changes to the portfolio in September included exiting 2 of the more cyclical stocks in the portfolio Schlumberger (SLB) and Nippon Steel (5401). While we still view the company's valuation and multi-year growth prospects as attractive, any concerns over slower global economic are likely to weigh. Sales proceeds and some cash were used to top up various existing holdings SSE (SSE), Thermo Fisher Scientific (TMO), Verizon (VZ), Amazon (AMZN) ASML (ASML) Eaton (ETN), Microsoft (MSFT), and Sony (SONY).

### Company updates:

**Apple (AAPL)** announces new "best ever" product lines at their new product lunch event in September. The new iPhone 16 Pro has a 6.3-inch display, and the Apple 16 Pro Max has a 6.9-inch display, larger than those of previous models. The new models also have the thinnest borders on any Apple product, Apple said, calling them "by far our best iPhone displays ever." And has "the best iPhone battery life ever". The new Apple Watch Series 10 was launched with the thinnest design ever and the biggest display yet. The new AirPods 4 were also launched with Apple saying it used 3D modelling and laser topography to develop the shape of its "most comfortable AirPods ever." The new headphones are a massive improvement in audio quality, and the "best sounding AirPods ever." according to the company.

**Amazon (AMZN)** to end WFH early next year - Flattens corporate structure. In a lengthy memo to staff last month Amazon CEO Andy Jassy said the company is looking to return to pre covid work arrangements with corporate staff told they are expected to be in the office 5 days a week from January next year. A change from the previous post covid policy of 3 days a week. "Before the pandemic, it was not a given that folks could work remotely two days a week, and that will also be true moving forward — our expectation is that people will be in the office outside of extenuating circumstances," Jassy said. Amazon also plans to simplify its corporate structure by having fewer managers in order to "remove layers and flatten organizations," Jassy added. With each senior management team organization expected to increase the ratio of individual contributors to managers by at least 15% by the end of the first quarter of 2025, but no details if this meant some manger positions would be eliminated.

**Intel (INTC)** unveils next-generation AI solutions with the Launch of Xeon 6 and Gaudi 3. Intel launched new Xeon 6 with Performance-cores (P-cores) I, doubling the performance for AI and HPC workloads. Along with New Gaudi 3 AI accelerators that offer up to 20% more throughput. As AI continues to revolutionize industries, enterprises are increasingly in need of infrastructure that is both cost-effective and available for rapid development and deployment. To meet this demand head-on, Intel today launched Xeon 6 with Performance-cores (P-cores) and Gaudi 3 AI accelerators, bolstering the company's commitment to deliver powerful AI systems with optimal performance per watt and lower total cost of ownership (TCO) the company said.

**\*\*The above portfolio composition, weightings, and manager comments were current as of 30th September 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

- VanEck China New Economy ETF
- Freeport McMoran Inc
- Invesco Golden Dragon China ETF
- Eaton Corporation PLC
- Verizon Communications Inc

#### Detractors

- Novo Nordisk
- ASML Holding NV
- Palo Alto Networks Inc
- Shell PLC
- Bank of America Corp.

### Portfolio Characteristics

30/09/2024	Port	Bench	Relative
# of Holdings	30.00		
Price to Earnings Ratio	21.08	21.55	-0.47
Price to Book Ratio	3.00	3.15	-0.15
Dividend Yield	2.37	2.00	0.37

### Sector Weights

	% Wgt	
30/09/2024	Port	+/-
Communication Services	7.25	-0.37
Consumer Discretionary	12.21	1.71
Consumer Staples	1.42	-4.97
Energy	3.42	-0.57
Financials	13.15	-3.40
Health Care	10.92	0.05
Industrials	6.35	-4.37
Information Technology	23.35	-1.11
Materials	14.30	10.30
Real Estate	0.13	-2.02
Utilities	3.15	0.76
Not Classified	3.99	3.99

### Geography

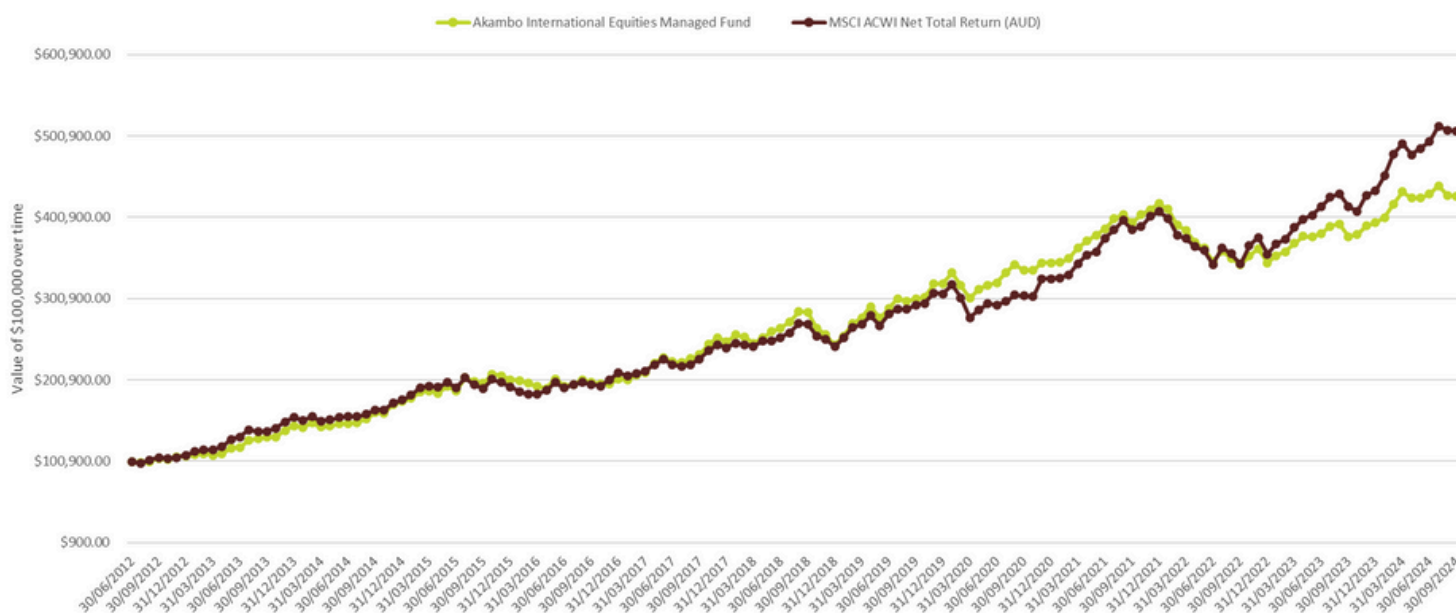
	% Wgt	
30/00/2024	Port	+/-
North America	60.72	-7.55
South & Central America	0.37	-0.39
Western Europe	16.57	4.35
Asia Pacific	18.08	3.08
Eastern Europe	0.05	-0.15
Central Asia	3.74	1.42
Africa / Middle East	0.47	-0.76

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## Portfolio Performance

### Akambo International Equities Managed Fund



Performance as at 30/09/2024	Akambo International Equities Fund	MSCI ACWI (net in AUD)	-/+
Since fund inception p.a 16/02/2022	4.19%	12.80%	-8.61%
Since strategy inception p.a 30/06/2012	12.57%	14.16%	-1.59%
10 year return p.a.	10.24%	11.94%	-1.70%
5 year return p.a.	7.24%	11.57%	-4.32%
3 year return p.a.	2.65%	9.49%	-6.84%
12 month return	13.05%	22.30%	-9.25%
6 month return	-1.42%	3.07%	-4.48%
3 month return	-0.66%	2.54%	-3.20%
1 month return	-0.41%	-0.35%	-0.07%

\*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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# Akambo International Equities Fund

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