

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 December 31, 2024

	Weight
Microsoft Corporation	6.59%
Amazon.Com Inc	5.83%
Betashares Japan ETF	5.15%
Bank of America Corp	4.96%
VanEck Gold Miners ETF	4.30%
Sony Group Corporation	4.23%
Freeport-McMoran inc	3.98%
Apple Inc	3.92%
VanEck MSCI International Small Companies ETF - AUD Hedged	3.91%
US Dollar	3.50%

Market Update and Commentary

December Update

International share markets were mostly lower in December. The S&P 500 fell 2.50% retreating from all time highs, Europe's STOXX 600 fell 0.52%, the UK's FTSE 100 fell 1.38%, China's Shanghai Composite rose 0.76%, and Japan's Nikkei 225 rose 4.41%. The S&P 500 concluded the year with a 23.31% annual gain. The Dow Jones Industrial Average achieved an annual increase of 9.02% while the Nasdaq Composite surged 38.39% for 2024. The Federal Reserve reduced interest rates in December, bringing the federal funds target rate down by a full percentage point since September. Projections for 2025 suggest a more gradual approach, with only two quarter-point cuts anticipated by December 2025 as recent growth and inflation data were more persistent than expected. In terms of factors, growth stocks outperformed value stocks by 19% in 2024, following a 31% outperformance in 2023. This marks the largest two-year margin since 1998-1999. The dominance of mega-cap technology companies, including Apple, Nvidia, Microsoft, Amazon, Alphabet, Meta, and Tesla, was evident as they collectively accounted for over 33% of the S&P 500's market capitalization. The U.S. economy exhibited stronger-than-expected growth in 2024, with the final reading of Q4 GDP rising to 3.1%. The labour market remained robust, maintaining a 4.2% unemployment rate, and consumer spending demonstrated resilience. Even in spite of a downturn in December, the S&P 500 reached 57 new highs for the year—the fifth most in history—marking the fourth time in six years that the S&P 500 has gained 20% or more.

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Market Update and Commentary

Monthly Performance:

The Portfolio rose 1.94% in December while the benchmark MSCI All Country World Index rose 2.95% in AUD terms.

The largest contributors to the Portfolio in December were Broadcom (AVGO) up 50.84% after reporting a decent Q4 beat and increasing guidance, Alphabet (GOOG) up 17.62% on a favourable Trump FTT Commissioner nomination, and Sony (SONY) up 11.01%. The largest detractors were Novo Nordisk (NOVO) down 15.02% on a disappointing trial result, Intel (INTC) down 11.77% as the CEO abruptly departed, and Freeport McMoRan (FCX) down 9.38%.

Portfolio changes:

Changes to the portfolio in December included reducing Palo Alto Networks (PANW) on partial profit taking after a strong year, reducing the large Linde (LIN) position that had also done well over recent years, and trimming our Verizon (VZ) position. We increased the small, recently initiated positions in Adobe (ADBE) and Meta (META), and exited Intel (INTC) after the board gave up on the firms' strategy and CEO, calling into question the expected turnaround in the company's fortunes.

Company updates:

Intel (INTC) announced the immediate "retirement" of CEO Pat Gelsinger in December. Gelsinger began his career in 1979 at Intel and was Intel's Chief Technology Officer from 2001 to 2009. He left Intel in 2009 and was the CEO of VMware before returning to Intel as CEO in February 2021 with plans to turn around the company's fortunes.

Honeywell (HON) announced that it continues the comprehensive business portfolio evaluation launched earlier this year to explore additional strategic alternatives for unlocking shareholder value, including the potential separation of its Aerospace business, saying they had made significant progress to date, and plan to provide an update with its Q4 2024 earnings release. "Following the portfolio enhancements announced earlier this year, Honeywell is now well-positioned for significant transformational alternatives, and we are continuing our deeper, more granular exploration of their feasibility and possible timing," CEO Vimal Kapur said.

Broadcom (AVGO) a global technology leader that designs, develops and supplies a broad range of semiconductor, enterprise software and security solutions, reported in line Q4 results in December with Q4 EPS of \$1.42 ex-items a slight beat on the \$1.39 expected. Although shares surged on the improved guidance, margin expansion and outlook statement. Broadcom's category-leading product portfolio serves critical markets including cloud, data centre, networking, broadband, wireless, storage, industrial and enterprise software. Q1 guidance for revenue of ~\$14.6B was ahead of the \$14.55B consensus and adjusted EBITDA guidance of ~66% of projected revenue, or ~\$9.64B was well ahead of the \$9.23B consensus. The quarterly dividend was also increased by 11% from the prior quarter.

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

- Broadcom Inc
- Amazon.com Inc
- Alphabet Inc
- Sony Group Corporation
- Apple Inc

Detractors

- Novo Nordisk
- Freeport McMoran Inc
- VanEck MSCI Int. Small Companies ETF - AUD Hedged
- Thermo Fisher Scientific Inc
- AIA Group Limited

Portfolio Characteristics

31/12/2024	Port	Bench	Relative
# of Holdings	30.00		
Price to Earnings Ratio	23.45	23.57	-0.12
Price to Book Ratio	3.36	3.45	-0.09
Dividend Yield	1.62	2.00	-0.38

Sector Weights

31/12/2024	% Wgt	
	Port	+/-
Communication Services	7.26	-0.83
Consumer Discretionary	13.20	1.94
Consumer Staples	1.05	-4.91
Energy	3.45	-0.41
Financials	15.81	-1.33
Health Care	7.49	-2.23
Industrials	6.23	-4.12
Information Technology	22.06	-3.56
Materials	10.99	7.54
Real Estate	0.14	-1.85
Utilities	4.22	1.66
Not Classified	8.10	8.10

Geography

31/12/2024	% Wgt	
	Port	+/-
North America	65.55	-5.14
South & Central America	0.37	-0.26
Western Europe	10.68	-0.32
Asia Pacific	19.48	5.37
Eastern Europe	0.04	-0.15
Central Asia	3.47	1.36
Africa / Middle East	0.41	-0.84

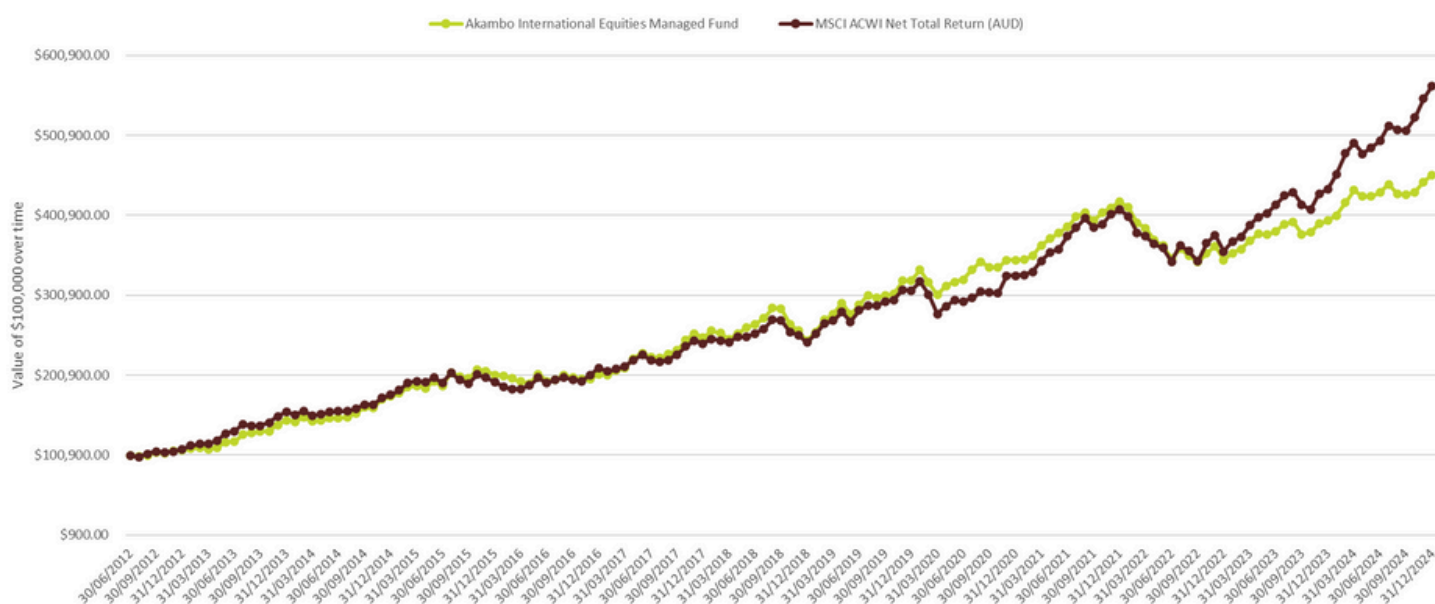
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Portfolio Performance

Akambo International Equities Managed Fund



	Akambo International Equities Fund	MSCI ACWI (net in AUD)	-/+
Since fund inception p.a 16/02/2022	5.96%	15.91%	-9.96%
Since strategy inception p.a 30/06/2012	12.81%	14.82%	-2.01%
10 year return p.a.	9.98%	12.31%	-2.33%
5 year return p.a.	7.15%	12.90%	-5.75%
3 year return p.a.	2.61%	11.31%	-8.70%
12 month return	14.42%	29.84%	-15.41%
6 month return	5.12%	13.91%	-8.79%
3 month return	5.82%	11.08%	-5.26%
1 month return	1.94%	2.95%	-1.01%

*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 incepted 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



Level 9, 90 Collins Street,
Melbourne, Victoria 3000



www.akambofg.com



03 9602 3233



03 9602 5009

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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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