

“Our focus, trust”

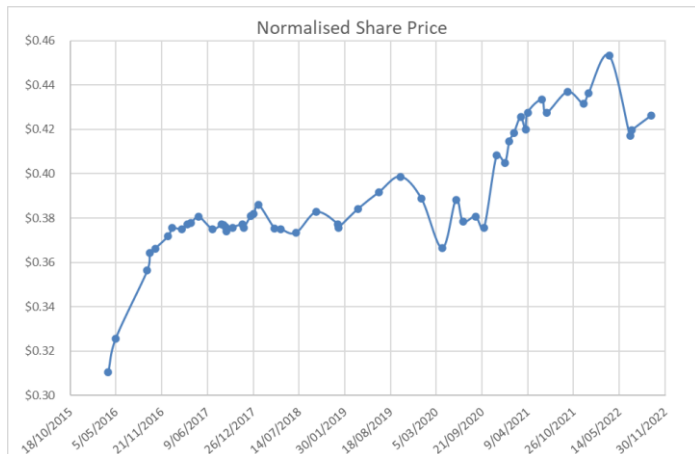
“Accounting for every trade”

Investment Performance of Deployed Capital

Auduco Pty Ltd’s current investment position and normalised share price are summarised in the table and figure below.

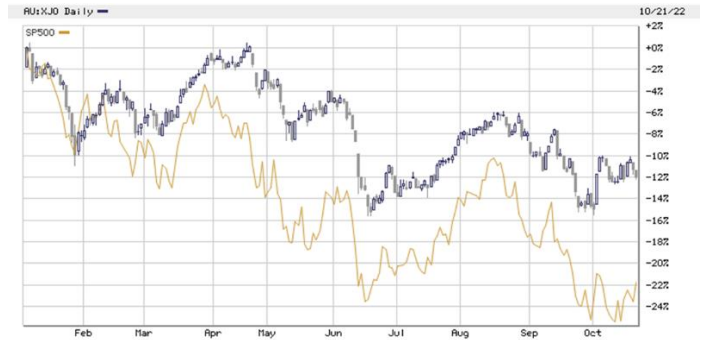
30-Sep-22 Snapshot		
Top 5 Equity Holdings	Ave Entry Price	Market Price
ANZ	\$23.43	\$23.09 (Q1 perf: \$1.06)
BOQ	\$7.96	\$6.51 (Q3 perf: -\$0.16)
NAB	\$19.01	\$28.81 (Q4 perf: \$1.42)
WBC	\$19.88	\$20.64 (Q4 perf: \$1.14)
WPL	\$23.28	\$31.66 (Q4 perf: -\$0.18)
Current Market Value		
FY23 Dividends to-date		
FY23 Interest to-date[#]		
Cash Holdings		

Note #: Does not include interest currently being accrued in term deposit accounts.



Unfortunately, we will not be able to present a full synopsis this quarter.

Markets have been corrective all year so far. This is no better illustrated than the figure below showing the S&P ASX 200 (XJO) overlayed with the S&P 500. The local market is outperforming significantly. A factor behind the local outperformance is the down trending Australian dollar, which is now sitting around \$0.64 USD (compared with \$0.75 USD ~ 6 months ago).

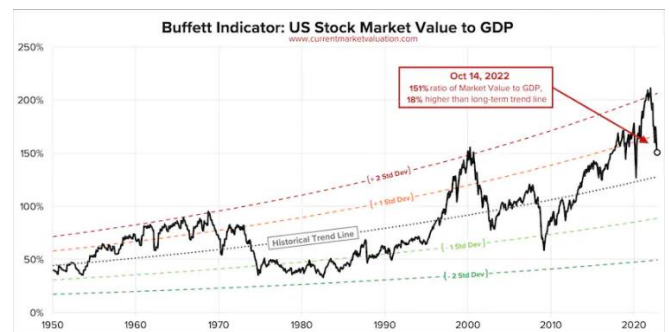


Our main holdings are doing excellently in this environment. It is the rotation to value and bank profits tending to increase as rates rise theme, that we have been discussing in play. We purchased some more ANZ off their lows. In fact, post quarter end, despite US markets experiencing volatility and toying with their 200 day moving average support, our main stocks have perked up a little, taking our normalised share price to just over 43c.

Seasonally, October to new year is usually positive for stocks. However, we will not be surprised if markets continue to correct. Black Swans excepted, it boils down to how aggressive a tightening stance central banks want to maintain. They tend to overdo it. Just like they left conditions too loose for too long. US markets are expecting 2 further 75 basis point official rises for the remainder of the year (i.e. aggressive). One Federal Reserve board member finally hinted that the Fed may start easing the hikes on 21-Oct, just as the S&P 500 looked to be breaking below its 200 day average¹

There have been no further signs that inflation may have peaked with the UK hitting a new high at the last reading,² yet strategists are still suggesting that yields may have peaked.³

We leave you with a snapshot of the buffet indicator.



¹ Fed's Daly says it's time to start talking about slowing rate hikes, Reuters, <https://www.reuters.com/markets/us/st-louis-fed-says-will-think-differently-about-involvement-private-events-2022-10-20/>

² Consumer price inflation, UK: September 2022, Office of National Statistics, <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2022>

³ Interest Rates Have Soared, but They May Be Peaking, Barrons, <https://www.barrons.com/articles/interest-rates-treasury-yields-51663610704>

For more information contact Dr Gianluca Paglia, 0425 388 222