

Introduction

The principal objective of the Sintra Global Fund is to grow investor wealth over the long-term while maintaining a capital preservation focus by investing in a portfolio of Australian and International securities.

As at 31 December 2022	1 Mth	3 Mths	12 Mths	Since Inception*
Sintra Global Fund Performance (Net of Fees) ¹	-3.77%	1.05%	-	-0.25%

* Inception date: 1 July 2022

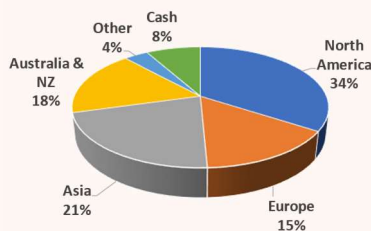
Core Portfolio Holdings

Alphabetical Order

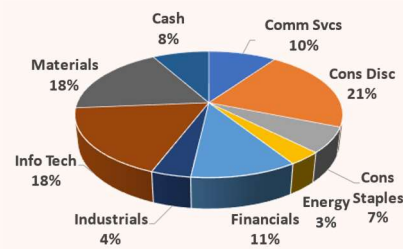
Aristocrat
Costco
Deckers
Microsoft
Visa

Geographic Exposure

by Revenue Source



Sector Exposure



Market Commentary

Global equity markets retreated in December as investors fretted that ongoing interest rate hikes will send the economy into a protracted slowdown. We do not agree. Interest rate rises are a blunt tool used by central banks to reduce inflation. However, its impact is not felt in equal measure by consumers. Those with higher levels of debt and lower savings, typically the younger generation, will be materially worse off. Over-tightening interest rates and tipping the economy into recession will also result in job losses to predominantly the same cohort who can least afford it. No central banker wants this stain on their legacy. Inflation is moderating and interest rates are close to peaking at a manageable level. Our view that a soft landing is still the most likely outcome remains unchanged and any share price weakness represents an opportunity to selectively accumulate high quality companies at attractive valuations.

For calendar year 2022 the S&P500 declined by -19%, its worst performance since the GFC in 2008 (-38%). This time, large financial institutions are not disappearing, and system liquidity is robust. Economic conditions today are significantly superior on every metric. In 2009 and 2010 the S&P500 gained +23% and +12% respectively, recovering almost all the losses from 2008.

Key Portfolio Contributor

Costco (-15%): A 'slowdown' in November same store sales growth to 5.3% surprised the market. However, one month does not constitute a trend. With foot traffic continuing to grow and a potential membership fee increase imminent we took advantage of the un-justified selloff to add to our holdings.

Stock in Focus – Nike

Following the disproportionately negative share price reaction to Nike's Q2 results in September the Fund re-established its position in the stock as our channel checks indicated ongoing robust sales and encouraging progress on inventory related issues. This was confirmed in reported Q3 earnings that exceeded expectations largely driven by stronger sales in North America. Further highlights included, reducing inventory levels and a return to growth in China. Positive momentum in full priced merchandise persists with management also noting strong quarter to date holiday sales trends. Nike's gross margins will continue to benefit from its direct-to-consumer strategy underpinned by favourable industry tailwinds of healthy lifestyles and associated demand for sporting apparel.

Why Sintra?

- | | | | | |
|--|--|---|-------------------------------------|--|
| 1 | 2 | 3 | 4 | 5 |
| Skilled portfolio managers with Combined 45+ years of equity market experience | Long-term track records of superior investment performance | High conviction portfolio consisting of 20-30 companies | One fund; One focus; Zero Conflicts | Genuine partnership approach - Principals invest alongside clients and on the same terms |

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