

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 30 September 2022	1 Mth	3 Mths	12 Mths	Since Inception*
Sintra Global Fund Performance (Net of Fees) ¹	-3.67%	-1.29%	-	-1.29%

* Inception date: 1 July 2022

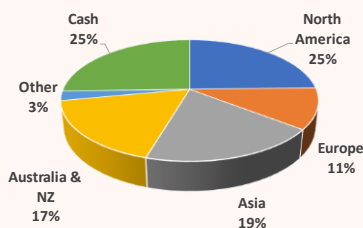
Core Portfolio Holdings

Alphabetical Order

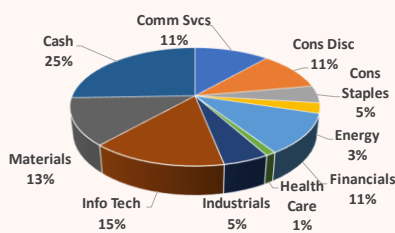
1. Aristocrat
2. Costco
3. Deckers
4. Disney
5. Visa

Geographic Exposure

by Revenue Source



Sector Exposure



Market Commentary

Global equity markets declined in September as the Federal Reserve continued to emphasise that interest rates will increase until inflation is decisively back to their 2% target. Consequent recessionary fears dampened investor sentiment sending the US S&P 500 and ASX 200 Indices down -9.2% and -6.2% respectively. Despite the tough talk, central banks started to show they are in tune with market forces. Initially it was the Bank of Japan defending the Yen for the first time since 1998, then the Bank of England announced the purchase of 30-year Gilts to protect the pension system and finally the RBA took a more careful approach with a lower-than-expected 25bp rise. Could a change of rhetoric from the Fed be next? We expect markets to remain volatile until the downward inflation trajectory becomes more apparent.

Our focus on high quality companies with strong earnings growth led by experienced management teams is unchanged. While we maintain a cautious approach to deploying capital, recent share price falls are presenting compelling opportunities to add to existing holdings at attractive valuations.

Key Portfolio Contributors

Nike (-21%): Ongoing concerns surrounding weaker consumer spending and extended China lockdowns weighed on the stock. With no clear line of sight on either issue we exited the holding during the month. Subsequent 1Q FY23 result highlighted elevated apparel inventory levels with management commentary indicating the need for discounting. We expect these problems to be resolved over the next 1-2 quarters at which time we will look to re-establish a position.

Stock in Focus – Deckers Outdoor Corp (Deck)

Deckers is best known for their UGG boots and Hoka athletic shoes. While UGG remains highly profitable for Deckers, Hoka, translating to “fly over the earth” in Maori language, is the key driver of future growth. First embraced by ultra-marathon runners, Hoka have only recently gained mainstream popularity. With only 30% of sales ex-US, potential exists for significant offshore expansion. Forecast revenue growth of >20% p.a. over the next 5-years, makes it one of the world's fastest growing footwear brands. Currently trading on a 1yr FWD PE of 17x and without the issues plaguing Nike, Deckers represents a strategic holding for the fund.

Why Sintra?

1

Skilled portfolio managers with Combined 45+ years of equity market experience

2

Long-term track records of superior investment performance

3

High conviction portfolio consisting of 20-30 companies

4

One fund; One focus; Zero Conflicts

5

Genuine partnership approach - Principals invest alongside clients and on the same terms

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