

TYNDALL AUSTRALIAN SHARE INCOME FUND.

FUND UPDATE

AS AT
30 APRIL 2022

Fund Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	2 Yrs p.a.	3 Yrs p.a.	4 Yrs p.a.	5 Yrs p.a.	7 Yrs p.a.	Since Inception p.a
Fund Growth return	1.37	10.04	4.88	6.03	16.09	2.00	0.67	-1.08	-0.50	2.64
Fund Distribution return	0.00	0.61	3.47	6.63	6.12	5.39	6.35	7.14	7.52	6.52
Total Fund return (net)*	1.37	10.65	8.36	12.66	22.21	7.39	7.03	6.06	7.02	9.16
Fund grossed up dividend yield				10.46	7.88	7.89	8.86	8.80	8.96	8.75
S&P/ASX 200 Accumulation Index Yield (grossed up for franking credits)				5.58	4.63	4.93	5.18	5.33	5.57	5.80
Excess yield				4.88	3.25	2.95	3.68	3.47	3.39	2.96

Source: BNP Paribas. Fund growth return is the change in redemption prices over the period. Fund distribution return equals Total Fund minus Fund growth return. The grossed up dividend yield for the Tyndall Australian Share Income Fund is before fees and relates to the Fund's holdings and differs from the Fund's distribution due to franking credits, management fees and other costs. There are also timing differences between the Fund grossed up dividend yield and the Fund distribution return. Dividends for the grossed up dividend yield are calculated on the stock's ex-dividend date. Dividends for the distribution return are generally calculated when the dividend is received (which can be after the ex-dividend date and the reporting period for this Fund Update). YIML adopts a distribution policy, whereby a certain amount of income is held back each quarter, with the full amount released at the end of the financial year. Net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Past performance is not an indicator of future performance. Inception date: 14 November 2008.

*Due to share buy-back participation performance was negatively impacted: BHP Apr 2011 0.250%; TLS Oct 2014 0.295%; TLS Oct 2016 0.153%; RIO Nov 2017 0.011%; RIO Nov 2018 0.459%; BHP Dec 2018 0.061%; WOW May 2019 0.068%; CBA Oct 2021 0.230%; WOW Oct 2021 0.102%

The Fund outperformed the broader equities market during the month (on a net basis).

The Fund has delivered a grossed up dividend yield of 10.46% over the past 12 months and continues to exceed its long-term performance objective, by delivering an excess grossed up dividend yield greater than 2.00% p.a. above its benchmark since inception.

Key contributors to absolute performance over the month:

- **Ramsay Health Care** contributed to performance, on the back of a conditional, non-binding indicative proposal from a consortium led by private equity firm KKR. The proposal to buy 100% of the shares in

Ramsay at \$88 was pitched above the prevailing share price of \$65.

- **Viva Energy** contributed to performance with the stock benefiting from significant strength in regional refining margins over April and improving product demand.
- **Lendlease** contributed to performance, having behaved like a re-opening play during April. Recent results have been impacted by COVID 19, particularly the approval of new developments and slowing construction activity. However, as economies re-open, the development pipeline is expected to progress.

- **Aurizon** had a strong month contributing to performance, despite rising interest rates. The company announced a favourable Federal Court decision on a technical issue that will give it capital management flexibility going forward.
- **Orora** contributed to performance, supported by its share buy-back and increasing confidence in the turnaround of its North American businesses.

Key detractors from absolute performance over the month:

- **BHP** and **Rio Tinto** detracted from performance. Iron ore prices fell, due to a combination of factors including concerns around rising Chinese COVID cases and strict lockdown policies as well as weaker than expected economic data in China.
- **Insignia Financial** detracted from performance. While its quarterly business update showed an improvement in its funds flows, it was more than offset by the impact of negative market returns on its funds.
- **Commonwealth Bank** detracted from performance, slightly underperforming the market and other banks. While banks performed well during March on expectations of margin benefit from interest rate rises, they gave back some of this outperformance during April.
- **Woodside Petroleum** underperformed. Despite the strong oil and gas prices together with the pending merger with BHP Energy, the slightly disappointing March quarterly production report adversely impacted performance.

Top 10 Holdings

Security Name	% of Fund
Commonwealth Bank	7.57
BHP Group	7.22
ANZ Bank	6.97
Westpac Bank	5.06
Telstra	4.68
Rio Tinto	4.15
Woodside Petroleum	3.90
Coles Group	3.16
Lendlease	2.86
Aurizon Holdings	2.78

Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	13.49	5.17%

Actual figures may vary. Forecasts are 12 months forward.

* Based on Broker Consensus forecast.

Franking Levels

Financial year ending		%
30 June 2021	(66% on income entitlements)	72.75
30 June 2020	(76% on income entitlements)	79.35
30 June 2019	(91% on income entitlements)	103.12
30 June 2018	(81% on income entitlements)	57.85
30 June 2017	(78% on income entitlements)	40.65
30 June 2016	(67% on income entitlements)	71.53
30 June 2015	(78% on income entitlements)	49.40

Market Commentary

The S&P/ASX 200 Accumulation Index returned -0.85% during the month. Australian equities outperformed global equity markets again in April. Global developed equity markets fared better than emerging markets as ongoing geopolitical tensions made for an uncertain outlook. In the major developed markets, the US S&P 500 returned -8.7%, Japan's Nikkei 225 returned -3.5% and the DJ Euro Stoxx 50 returned -2.0% (in local currency terms). The UK's FTSE 100 bucked the trend to be up 0.8%.

Monetary policy settings remained unchanged in April as the Reserve Bank of Australia (RBA) waited until its May meeting to raise the cash rate target by 25 bps, to 0.35%.

Domestic economic data releases in April were largely positive. Employment rose by 17,900 positions in March, taking the number of employed persons in Australia to a new record high. The unemployment rate was unchanged at 4.0%, the lowest jobless rate since August 2008. The NAB Survey of Business Conditions rose to 18 points in March, the largest one-month jump since June 2020. Business confidence reached a five-month high, rising to 16 points in March. Retail sales were up 1.8% in February. National CoreLogic dwelling prices saw another consecutive monthly rise in April, up 0.6%, the lowest monthly growth reading since October 2020.

Sector returns were mixed in April, with a wide dispersion of returns. The best performing sectors were utilities (9.3%), industrials (3.5%) and consumer staples (3.3%). Energy (2.5%), health care (2.4%) and real estate (0.9%) also outperformed the broader index. Financials (0.1%), communication services (-0.3%), consumer discretionary (-3.2%) and materials (-4.3%) all underperformed the broader index. Information technology (-10.4) was the worst performing sector.



ESG is incorporated into each and every valuation

Fund Objective

The Fund aims to provide a tax-effective income stream that exceeds the dividend yield of the S&P/ASX 200 Accumulation Index (grossed up for franking credits) by 2% p.a. over rolling five-year periods, before fees, expenses and tax, plus the potential for capital growth over the long term.

Key Facts

Responsible Entity

Yarra Investment Management Limited

Buy/Sell Spread

0.20%/0.20%

APIR Code

TYN0038AU

Management Cost

0.85% p.a.

Portfolio Manager

Michael Maughan, Mal Whitten

Distribution Frequency

Quarterly

Asset Allocation**

Australian Shares	70% - 100%
International Shares	0% - 10%
Cash	0% - 20%

Fund Size

AUD 157.74 million

Minimum Investment

AUD 10,000 or platform nominated minimums

** The Fund does not currently hold any stocks defined as 'manufacturers of cigarettes and other tobacco products' by GICS (Global Industry Classification Standard).

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