

TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
31 DECEMBER 2023

Fund Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	15 Yrs p.a.	20 Yrs p.a.	Since Inception p.a.
Fund growth return	2.91%	1.05%	-1.06%	-2.28%	1.35%	0.24%	-0.63%	2.46%	0.96%	2.80%
Fund distribution return	2.30%	2.25%	2.21%	7.22%	8.27%	7.95%	6.85%	6.10%	7.04%	6.64%
Total Fund (net)	5.20%	3.30%	1.15%	4.94%	9.62%	8.19%	6.21%	8.56%	8.00%	9.44%
Benchmark return	7.26%	8.40%	7.57%	12.42%	9.24%	10.28%	7.93%	9.42%	8.79%	9.34%
Excess Return	-2.05%	-5.09%	-6.42%	-7.48%	0.38%	-2.09%	-1.72%	-0.86%	-0.79%	0.11%

Source: Citi. Fund growth return is the change in redemption prices over the period. Fund distribution return equals Total Fund minus fund growth return. Fund net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Past performance is not an indicator of future performance. Benchmark: S&P/ASX 200 Accumulation Index. Inception date: March 1995.

The Fund underperformed the benchmark over the month.

Key contributors to relative performance:

- **G8 Education's** share price soared higher on a trading update that beat market expectations. Whilst occupancy remains subdued the new CEO has made good progress on costs and portfolio optimisation.
- Our position in plumbing innovator **Reliance Worldwide** was a positive contributor in the month. Building materials companies were generally well supported by expectations of lower rates and diminished recession risk.
- **29Metals** rebounded strongly during December after having fallen significantly in the prior three months. The recent partial recovery in the share price also coincided with a rebound in the copper price since mid-November, one of its key commodities.

Key detractors from relative performance:

- The overweight holding in **QBE Insurance** detracted from performance as bond yields continued to decline in anticipation of future cash

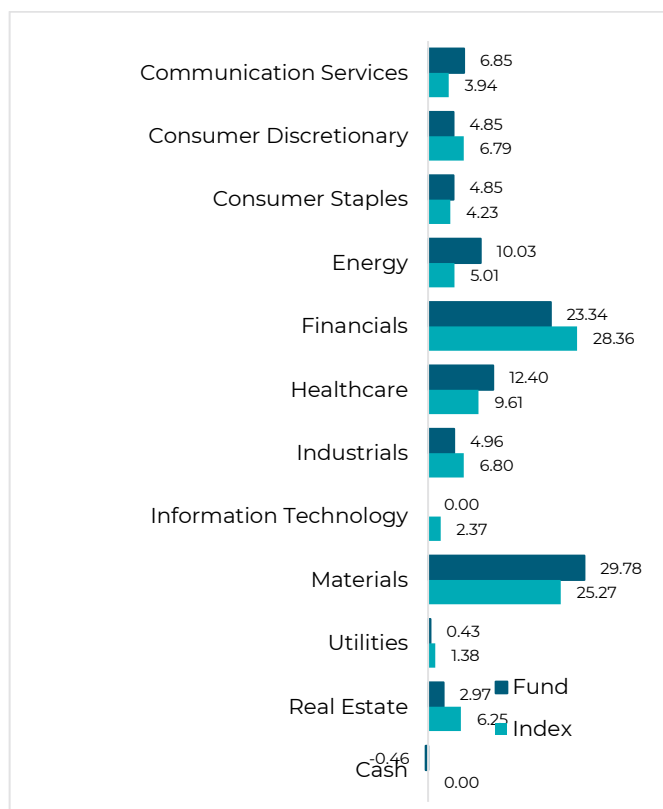
rate cuts which negatively impact investment earnings on the premium float.

- **Iluka** continued to underperform during December as market sentiment in its key mineral sands markets remained poor due to ongoing concerns regarding the Chinese residential property construction market. In addition, during the month Iluka announced a higher revised capex estimate for its Eneabba Rare Earths Refinery project of "up to" \$1.8 billion, which was above the market expectations of around \$1.5 billion.
- The nil holding in **Fortescue** detracted from performance as it performed strongly during the month on the back of the continued strengthening in the iron ore price.
- **SkyCity** underperformed during the month as the company downgraded earnings expectations due to softer trading conditions from a tightening consumer. We still see value as SkyCity trades at depressed multiples especially considering its monopoly licenses, favourable competitive landscape, and minimal CAPEX commitments.
- **Telstra** lagged in the strong December market rally. Defensives continued to be a source of funding for the risk-on trade.

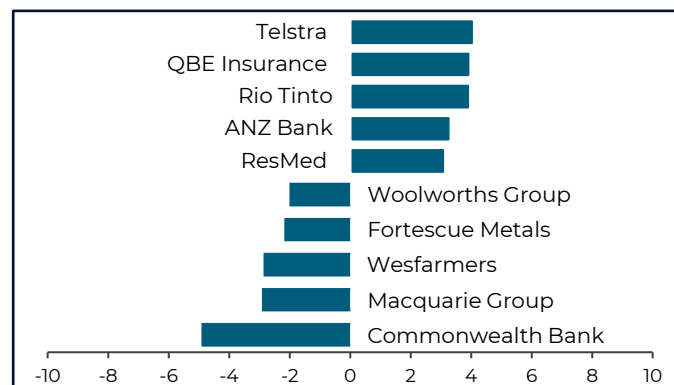
Top 10 Holdings

Security Name	% of Fund
BHP Group	14.21
CSL	7.41
ANZ Bank	6.71
Rio Tinto	6.16
Telstra	6.09
QBE Insurance	4.92
Woodside Energy Group	4.67
Santos	3.71
ResMed	3.65
Coles Group	3.43

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	13.63	4.35%
Benchmark	16.42	3.85%

Actual figures may vary. Forecasts are 12 months forward.

* Based on Broker Consensus forecast.

Market Commentary

The S&P/ASX 200 Accumulation Index increased by 7.26% over the month. In local currency terms the MSCI World Index rose by 4.16% over December 2023 while the S&P 500 Index also rose by 4.51%.

The Reserve Bank of Australia kept the cash rate at 4.35% at its December meeting. The decision to hold the rate steady was based on economic data received over the past month showing that inflation continued to decline but remained high.

Domestic data releases through December were mixed. The ABS Business Turnover Data recorded in October falls in 7 of the 13 published industries with the largest fall being in Arts and Recreation services and the largest increase in Mining. Seasonally adjusted unemployment increased in November by 0.2 percentage points to 3.9%.

CoreLogic's national Home Value Index (HVI) marked another rise in December. Overall CoreLogic's national Home Value Index (HVI) rose 8.1% in 2023, a significant turnaround from the -4.9% drop seen in 2022, but well below the 24.5% surge recorded in 2021. December's 0.4% increase saw 2023 finish with a relatively soft monthly rise in home values.

Australia's NAB Monthly Business Survey in November noted softening in both economic outlook and activity. "Both confidence and conditions declined in the month and after a period of relative stability through mid-2023 appear to be softening further," said NAB Chief Economist Alan Oster. "Outside of the pandemic period, business confidence is now its weakest since around 2012, when conditions were significantly weaker and growth in advanced economies was slowing."

The Westpac-Melbourne Institute Consumer Sentiment index was slightly up in December to 82.1 from 79.9 in November. The survey noted that the RBA's decision to leave rates unchanged in the latest meeting provided some relief for Australian families in a year where incomes were under extraordinary pressures.

All sectors performed well, led by real estate (11.29%), health care (9.10%) and materials (8.84%) followed by information technology (7.62%), communications services (7.07%), consumer discretionary (6.29%), financials (6.21%), industrials (5.97%) and consumer staples (5.09%). Energy returned 3.42% and utilities returned 2.50%.



ESG is incorporated into each and every valuation

Fund Objective

The Fund aims to outperform the S&P/ASX 200 Accumulation Index by more than 2.5% p.a. over rolling five-year periods, before fees, expenses and tax.

Key Facts

Responsible Entity

Yarra Funds Management Limited

Buy/Sell Spread

0.20%/0.20%

APIR Code

TYN0028AU

Management Cost

0.80% p.a.

Portfolio Manager

Brad Potter, Jason Kim

Distribution Frequency

Half yearly

Asset Allocation

Australian Shares 80% - 100%
International Shares 0% - 10%
Cash 0% - 10%

Fund Size

AUD 440 million

Minimum Investment

AUD 10,000 or platform nominated minimums

Contact us



Call : +61 2 8072 6300

Email : info@yarracm.com

Level 11, Macquarie House
167 Macquarie Street
Sydney NSW 2000

Important information: Yarra Funds Management Limited ABN 63 005 885 567 AFSL 230251 (YFML) is the issuer and responsible entity of units in the Tyndall Australian Share Wholesale Fund ARSN 090 089 562 (Fund). YFML is not licensed to provide personal financial product advice to retail clients. The information provided contains general financial product advice only. The advice has been prepared without taking into account your personal objectives, financial situation or particular needs. Therefore, before acting on any advice, you should consider the appropriateness of the advice in light of your own or your client's objectives, financial situation or needs. Prior to investing in any of the Funds, you should obtain and consider the Product Disclosure Statement (PDS) and the Target Market Determination ('TMD') for the relevant Fund by contacting our Investor Services team on 1800 251 589 or from our website at www.tyndallam.com/invest/.

The information set out has been prepared in good faith and while YFML and its related bodies corporate (together, the "Yarra Capital Management Group") reasonably believe the information and opinions to be current, accurate, or reasonably held at the time of publication, to the maximum extent permitted by law, the Yarra Capital Management Group: (a) makes no warranty as to the content's accuracy or reliability; and (b) accepts no liability for any direct or indirect loss or damage arising from any errors, omissions, or information that

is not up to date. No part of this material may, without the Yarra Capital Management Group's prior written consent be copied, photocopied, duplicated, adapted, linked to or used to create derivative works in any form by any means. YFML manages each of the Funds and will receive fees as set out in each PDS. To the extent that any content set out in this document discusses market activity, macroeconomic views, industry or sector trends, such statements should be construed as general advice only. Any references to specific securities are not intended to be a recommendation to buy, sell, or hold such securities. Past performance is not an indication of, and does not guarantee, future performance. Information about the Funds, including the relevant PDSs, should not be construed as an offer to any jurisdiction other than in Australia. With the exception of some Funds that may be offered in New Zealand from time to time (as disclosed in the relevant PDS), we will not accept applications from any person who is not resident in Australia or New Zealand. The Funds are not intended to be sold to any US Persons as defined in Regulation S of the US federal securities laws and have not been registered under the U.S. Securities Act of 1933, as amended.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. Holdings may change by the time you receive this report. Future portfolio holdings may not be profitable. The information should not be deemed representative of future characteristics for the strategy. There can be no assurance that any targets stated in this document can be achieved. Please be advised that any targets shown are subject to change at any time and are current as of the date of this document only. Targets are objectives and should not be construed as providing any assurance or guarantee as to the results that may be realized in the future from investments in any asset or asset class described herein. If any of the assumptions used do not prove to be true, results may vary substantially. These targets are being shown for informational purposes only.

© Yarra Capital Management, 2024.