TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
29 FEBRUARY 2024

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	-0.22%	4.09%	0.27%	-4.37%	-0.31%	-1.86%	-0.58%	3.42%	0.96%	2.83%
Fund distribution return	-0.00%	2.32%	2.24%	7.06%	8.13%	7.79%	6.85%	6.16%	7.04%	6.61%
Total Fund (net)	-0.22%	6.42%	2.51%	2.69%	7.82%	5.92%	6.27%	9.58%	8.00%	9.43%
Benchmark return	0.79%	9.39%	7.42%	10.64%	9.32%	8.61%	7.95%	10.28%	8.77%	9.36%
Excess Return	-1.01%	-2.97%	-4.91%	-7.95%	-1.50%	-2.69%	-1.69%	-0.70%	-0.77%	0.08%

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:

- **Reliance Worldwide** outperformed through February on the back of a strong result underpinned by superior cost performance in the US business. However, this was partly mitigated by some weakness in EMEA.
- **QBE Insurance** outperformed strongly during the month as their full year results demonstrated that the underlying drivers of future profit improvements remain intact. Premium rate increases continue to cover at least the cost of inflation, and the commercial general insurance market appears to remain rational.
- **Downer EDI** outperformed through February as it demonstrated progress towards its 2025 targets at the 1H24 result.
- Our nil position in **Fortescue** contributed to performance as the weakness in iron ore pricing during February (iron ore fell US$10/t to below US$120/t) adversely impacted on the major miners. Iron ore is entering a period of typical seasonal weakness and this combined with the risks around Chinese housing is putting downward pressure on the price. There is a possibility that further China policy easing announcements will be made at the March National People's Congress (NPC) meeting to support demand.
- Our nil position in **Woolworths** contributed to performance this month. Woolworths was down due to poor results from Big W, the NZ Supermarkets business and high-cost growth in the Australian Supermarket operation.

Key detractors from relative performance:

- Our nil position in **Wesfarmers** detracted from performance during the month. Wesfarmers is trading on a P/E of circa 30x, but the strong performance from Kmart and the steady result from Bunnings were enough to drive the price much higher during the month. We continue to be underweight as we don't believe the weaker parts of the business warrant such a premium.

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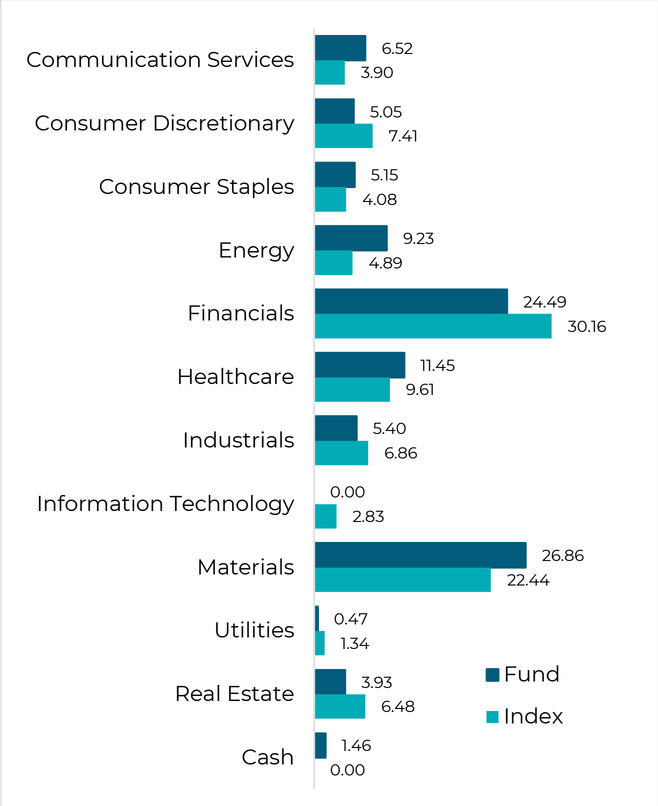
- **ResMed** underperformed through February following commentary from the device distributor Adapt Health. Adapt Health suggested slowing revenue growth in their sleep segment in 2024 – which is not surprising given the strong comparable they are cycling. Further, Viking, a US biotech, released phase II data in obesity, positioning it as a competitor to Eli Lilly and Novo Nordisk. However, we retain conviction that the GLP-1 fears are an overreaction and don't see Viking's new drug as a threat to ResMed.
- Our overweight position in **Rio Tinto** detracted from performance as the stock fell due to the weakness in iron ore during the month. The stock reported inline results with strong cashflows and dividends.
- Our overweight position in **Newmont** detracted from performance as the company reported a weak result along with a soft guidance outlook into 2024 which adversely impacted the stock price despite the gold price holding up. Newmont unsurprisingly announced divestments of six assets as it focusses on Tier 1 assets. Newmont provides attractively priced exposure to falling real yields and hedging for geopolitical risk.
- Our overweight position in **Santos** detracted from performance in February. Whilst the oil price improved over the month to US$83 a barrel, Santos' share price experienced weakness following Woodside's abrupt conclusion of the merger discussions. Regardless of the no deal outcome, the merger talks are confirmatory of our conviction in Santos and the significant value that is yet to be fully reflected in the share price. Santos has a portfolio of highly attractive assets that may attract competing interest from offshore oil and gas majors.

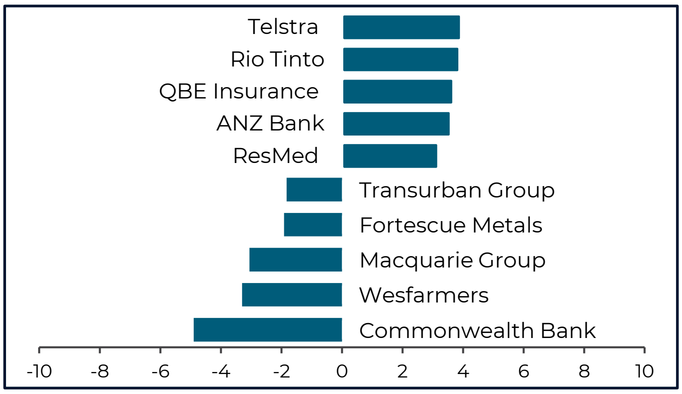
Top 10 Holdings

Security Name	% of Fund
BHP Group	11.77
CSL	7.33
ANZ Bank	7.28
Rio Tinto	5.85
Telstra	5.83
QBE Insurance	4.76
Woodside Energy	4.15
ResMed	3.72
Commonwealth Bank	3.61
National Australia Bank	3.51

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	14.37	4.17%
Benchmark	16.87	3.77%

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 0.79% over the month. This lifted the ASX to its first new high since August 2021. In local currency terms the MSCI World Index rose by 4.61% over January 2024 while the S&P 500 also rose by 5.29%. The Australian 10-year government bond yield moved up 12bps over the month to 4.14%.

As widely expected the Reserve Bank of Australia (RBA) kept the cash rate at 4.35% at its February meeting. The decision to hold the rate steady was based on inflation continuing to ease in the December quarter with a more sustainable balance being established between aggregate supply and demand. However, the RBA did express caution noting a highly uncertain outlook with inflation risk persisting (particularly services price inflation) and a high level of uncertainty around the Chinese economy and implications of the conflict in Ukraine and the Middle East. In 2024 the RBA has changed the frequency of meetings, meeting 8 times a year instead of on the first Tuesday of every month as part of a strategy to improve the quality of interest rate decision making. The next meeting is scheduled for mid-March.

Domestic data releases through February were mixed. Australia's monthly CPI indicator rose 3.4% in the 12 months to January. Seasonally adjusted unemployment in January increased slightly from 3.9% to 4.1%. Australian retail trade rose 1.1% month on month in January 2024 following an increase in November 2023 and a fall in December 2023.

CoreLogic's national Home Value Index (HVI) continued its upward trajectory in February 2024 rising 0.6%. This was the 13th straight month of value rises. 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.

Australia's NAB Monthly Business Survey in January noted that business confidence remained low and conditions eased to be just below their long-run average, ending a two-year run of above average conditions while forward orders remain soft.

The Westpac Melbourne Institute Consumer Sentiment Index was up 6.2% to 86 in February from 81 in January. This is the biggest monthly gain since April last year, when the RBA paused its rapid series of interest rate rises. The index is at its highest level since June 2022 and while sentiment is pessimistic there are indications that Australian consumer confidence is lifting. The survey noted that this could be influenced by moderating inflation and expectations for interest rates cuts later in the year. There was a pullback in sentiment among those surveyed after the RBA February meeting. While the decision to leave the cash rate unchanged was expected, the RBA's cautious wording describing the inflation situation as still evolving generated some caution.

The majority of sectors performed well led by information technology (19.48%), consumer discretionary (9.15%), real estate (4.23%), financials (3.51%) and industrials (2.67%). Utilities (0.14%) and communication services (0.04%) performed in line and consumer staples (-0.55%), health care (-2.70%), materials (-4.96) and energy (-5.95%) underperformed.

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

APIR Code
TYN0028AU

Portfolio Manager
Brad Potter, Jason Kim

Asset Allocation

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

Minimum Investment
AUD 10,000 or platform nominated minimums

Buy/Sell Spread
0.20%/0.20%

Management Cost
0.80% p.a.

Distribution Frequency
Half yearly

Fund Size
AUD 412.69 million

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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/.

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