

# TYNDALL AUSTRALIAN SMALL COMPANIES FUND.

## FUND UPDATE

AS AT  
31 MAY 2024

### Fund Performance (%)

	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	Since Inception p.a
<b>Fund growth return</b>	-1.85%	0.85%	11.89%	11.48%	--	10.83%
<b>Fund distribution return</b>	0.00%	0.00%	0.25%	1.12%	--	0.92%
<b>Total Fund (net)</b>	<b>-1.85%</b>	<b>0.85%</b>	<b>12.14%</b>	<b>12.60%</b>	--	<b>11.75%</b>
<b>Benchmark return</b>	-0.05%	1.53%	11.74%	10.92%	--	11.40%
<b>Excess Return</b>	-1.80%	-0.69%	0.40%	1.68%	--	0.35%

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 Small Ordinaries Accumulation Index. Inception date: March 2023.

The Tyndall Australian Small Companies Fund underperformed the benchmark over the month. The Fund returned -1.85% (net of fees) for the month, compared to the benchmark return of -0.05%. Since its inception in March 2023 the fund has returned 11.75% compared to the benchmark return of 11.40%.

Key contributors to relative performance:

- **Southern Cross Electrical** continued to outperform on the back of further significant contract wins. Southern Cross, as Australia's largest employer of electricians, is benefiting from two structural tailwinds – electrification and the growth in data – underpinning new contracts in renewable energy and data centre construction.
- **AUB Group** outperformed after narrowing its FY24 guidance to the top end of the range.

Key detractors from relative performance:

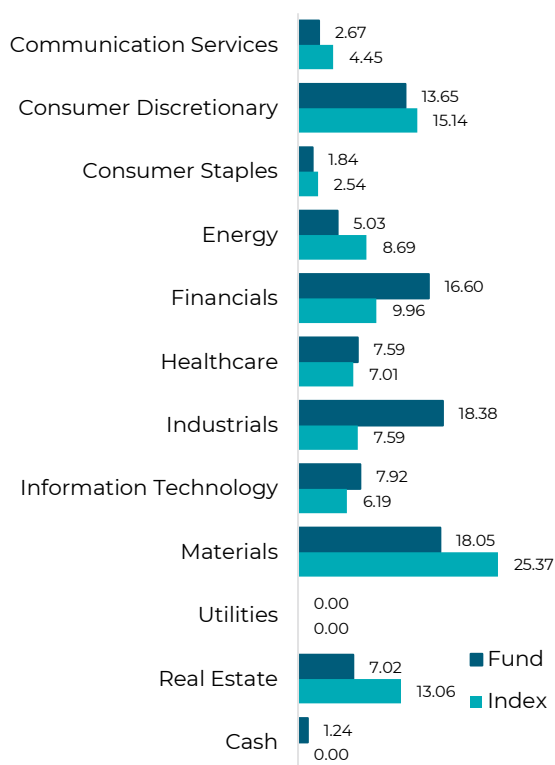
- **Smart Group** provided a Q1 trading update which was marginally disappointing. Revenue growth was slightly lower than expected and costs added to support the new South Australian contract were a little higher than the market anticipated. Combined, the result was modest earnings downgrades, with the share price underperforming as a result.

- **Dicker Data** also underperformed following a quarterly trading update. The company noted that the demand environment had softened, with the prior period benefiting from a backlog of orders. We expect this is temporary weakness as Dicker is adding new software vendors in Q2 and PC sales are expected to benefit from an accelerated replacement cycle connected with AI adoption.

### Top 5 Holdings

Security Name	% of Fund
Webjet	4.39
AUB Group Limited	3.79
Light & Wonder	3.75
Kelsian Group Limited	3.56
SmartGroup Corp	3.00

## Sector Exposure (%)



than expected. In addition, changes in UK Government activity is leaving a earnings hole in FY24 as volumes delivered under a humanitarian contract are much lower than expected.

GWA Limited was also exited. The stock has performed well since acquisition and traded through our valuation.



ESG is incorporated into each and every valuation

## Fund Metrics

	Fund	Benchmark
FCF Yield	9.8%	7.6%
Price/Earnings	14.2x	16.3x
2 Year EPS Growth	23.3%	22.6%
ROE	13.0%	9.1%
Beta	0.92%	
Tracking Error	6.70%	

Source: Quant Answer, Tyndall

## Portfolio Changes

During the month we added Centuria Capital and exited Corporate Travel and GWA Limited.

Centuria Capital provides an attractive exposure to a property funds management business where property devaluations are near bottoming as higher interest rates, and thus cap rates, approach peak levels. The business has been able to drive inflows during a difficult period for property fund managers through its diversified offerings via its private capital business, and exposure to the alternatives property sector. The low double digit earnings multiple doesn't reflect this resilient business model nor the trough earnings.

We exited Corporate Travel (CTD) during the month. Following channel checks we have concerns that the recovery in business travel in the US is taking longer

## Fund Objective

The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the long term, before fees, expenses, and tax.

### Key Facts

#### Responsible Entity

Yarra Funds Management Limited

#### APIR Code

TYN8782AU

#### Portfolio Manager

Tim Johnston  
James Nguyen

#### Asset Allocation

Australian Shares	90% - 100%
International Shares (unhedged)	0% - 10%
Cash	0% - 10%

#### Management Cost

90bps + 20% of outperformance of the S&P/ASX Small Ordinaries Accumulation Index (after fees), subject to all prior benchmark underperformance being recouped.

#### Minimum Investment

AUD 10,000 or platform nominated minimums

#### Buy/Sell Spread

0.30%/0.30%

#### Distribution Frequency

Half yearly

#### Fund Size

AUD 2.15 million

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