TYNDALL AUSTRALIAN SHARE INCOME FUND.

FUND UPDATE

AS AT
31 AUGUST 2024

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	-0.40	2.28	1.25	3.29	3.38	-0.11	5.70	1.02	0.48	2.16
Fund Distribution return	0.00	1.15	1.98	5.16	5.11	5.91	5.72	5.44	5.95	6.40
Total Fund return (net)*	-0.40	3.43	3.23	8.45	8.49	5.79	11.42	6.46	6.43	8.56
Fund grossed up dividend yield				7.13	7.75	8.89	8.24	7.89	8.55	8.66
S&P/ASX 200 Accumulation Index Yield (grossed up for franking credits)				4.94	5.72	5.68	5.29	5.14	5.33	5.76
Excess yield				2.20	2.03	3.21	2.95	2.75	3.21	2.90

Source: Citi. 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). YFML 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 underperformed the broader equities market during the month (on a net basis).

The Fund has delivered a grossed up dividend yield of 7.13% 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:

- The bank sector outperformed over the month as the results continued to suggest little stress in the market and thus extraordinarily low provisions leading to minor upgrades. The holdings in **Westpac** and **ANZ** contributed to performance.
- Our new position in **Vicinity Centres** contributed positively to performance after a strong result. Reported numbers and guidance were all better than expected, valuations seem to be recovering and the acquisition of Lakeside Joondalup in WA was a good deal on an asset in a growth corridor with leasing upside.
- **Stockland** outperformed during the month after it reported a strong FY24 result. The company demonstrated it has navigated the tricky residential development sector quite well and the investment trust business experienced strong rental growth.
- **Orora** outperformed through August largely due to reports of a private equity offer for the company and a reasonable FY24 result.

Tyndall am

Key detractors from absolute performance over the month:

- **QBE Insurance** (QBE) underperformed during the month of August after its first half results modestly disappointed the market. QBE's interim dividend was lower than expected, and the premium rate/revenue outlook was a bit softer than expected.
- **BHP** underperformed during the month along with the weak iron ore price.
- **Inghams** underperformed during the month after it disclosed a change in its contract with Woolworths which saw Inghams lose volume to competitors. The company has managed to reallocate a significant portion of lost volumes to other retailers at similar prices and margins however there are now questions on whether the poultry market will experience strong price competition as volumes between suppliers are reallocated.
- **Viva Energy** continued to underperform through August despite a solid result given continued pressure on global refining margins due to an unusual level of stability across the global refining industry and some uncertainty around the pace of the OTR store conversion programme.
- **Ampol** continued to underperform through August despite a solid result given continued pressure on global refining margins due to an unusual level of stability across the global refining industry.

Top 10 Holdings

Security Name	% of Fund
Westpac Bank	7.93
BHP Group	7.59
ANZ Bank	6.79
Telstra	5.55
CSL	5.14
National Australia Bank	5.09
Woodside Energy Group	3.05
QBE Insurance	3.01
Fortescue Metals	2.95
Rio Tinto	2.84

Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	14.7	4.64%

Actual figures may vary. Forecasts are 12 months forward.
* Based on Broker Consensus forecast.

Franking Levels

Financial year ending		%
30 June 2024	(83% on income entitlements)	81.79
30 June 2023	(97% on income entitlements)	94.17
30 June 2022	(89% on income entitlements)	52.19
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

Market Commentary

The S&P/ASX 200 Accumulation Index returned 0.47% for the month recovering from a severe 6% loss during the first week of August during the global yen carry-trade sell off as investors who had borrowed in yen while Japan's interest rates were low, unwound rapidly, when the Bank of Japan started to increase rates. In local currency terms the MSCI World Index increased by 1.87% over August 2024 while the S&P 500 also increased by 2.38%. The Australian 10-year government bond yield fell 15 basis points over the month to 3.97%.

Domestic data releases throughout August were subdued. Australia's monthly CPI indicator was 3.5% in the 12 months to July down slightly from 3.8% in the 12 months to June. GDP rose by 0.2% in the June quarter continuing the extremely low growth seen in the past few quarters. This was largely due to a reduction in household discretionary spending as elevated interest rates start to bite. Government spending provided support. Seasonally adjusted unemployment in July increased slightly to 4.2% and Australian retail sales remained flat month on month.

CoreLogic's national Home Value Index (HVI) continued its upward trajectory in July 2024, rising 0.5% on par with similar rise in June and the 18th consecutive monthly rise. However, while growth is positive there are signs that growth is uneven with 3 capital cities recording declines over the past 3 months- Melbourne a fall of -0.9%, Hobart -0.8% and Darwin- 0.3%. In contrast home values in Perth, Adelaide and Brisbane continue to grow as demand in those cities outpace the number of homes for sale.

The NAB Monthly Business Survey noted that business conditions improved slightly in July on the back of improved employment. Business confidence however fell slightly with falls across all industries other than construction and recreation and personal services.

The Westpac Melbourne-Institute Consumer Sentiment Index rose to 85 in August from 83.6 in July. It appears this was driven by support provided by tax cuts and fiscal measures and worries about future cash rate rises subsiding.

In terms of sector performance, Information technology (7.86%), industrials (3.88%), communication services (3.54%) performed well with financials (1.87%), real estate (0.64%) and consumer staples (0.16%) performing marginally well while the remaining sectors fell. Of those, energy and materials were the worst affected falling 6.00% and 1.87% respectively, while utilities (-1.07%), health care (-1.04%) and consumer discretionary (-0.28%) fell marginally.

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 Funds Management Limited

APIR Code
TYN0038AU

Portfolio Manager
Michael Maughan, Jason Kim

Asset Allocation**

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

Minimum Investment
AUD 10,000 or platform nominated minimums

Buy/Sell Spread
0.20%/0.20%

Management Cost
0.85% p.a.

Distribution Frequency
Quarterly

Fund Size
AUD 161.53 million

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

Contact us

Call : +61 2 8072 6300
Email : info@yarracm.com

Level 11, Macquarie House
167 Macquarie Street
Sydney NSW 2000