TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
30 NOVEMBER 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	2.38%	2.03%	-3.16%	2.75%	-2.90%	-2.83%	-0.80%	0.43%	0.04%	2.71%
Fund distribution return	-0.00%	-0.00%	10.24%	13.40%	10.56%	8.14%	7.69%	6.58%	7.34%	6.79%
Total Fund (net)	2.38%	2.03%	7.08%	16.15%	7.65%	5.31%	6.89%	7.02%	7.37%	9.50%
Benchmark return	3.79%	5.47%	11.53%	23.42%	9.54%	8.27%	9.08%	8.42%	8.37%	9.54%
Excess Return	-1.41%	-3.44%	-4.45%	-7.27%	-1.89%	-2.95%	-2.18%	-1.40%	-1.00%	-0.05%

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:

- **QBE Insurance** outperformed during November as the market bid up stocks that are positively exposed to rising interest rates, after Trump became the US President-elect. The market has taken the view that Trump's policies are likely to be inflationary and will result in interest rates being higher for longer. In addition, the severity of recent natural disasters has been generally in line with expectations, and the downgrading of estimates of insured losses from the 2 major US hurricanes (Helene and Milton), has been supportive.
- The underweight holding in **Macquarie (MQG)** contributed to performance. MQG reported a weak 1H24 result that underwhelmed the market. The stock ended the month largely flat despite the weak result and thus underperformed a strong market.
- The **Web Travel Group** result was in line with expectations, and the share price rebounded after being heavily marked down in October due to a downgrade to the revenue margin. The guidance of a stable revenue margin in the medium term was better than feared.
- Our recent entry into **Amcor** contributed to performance. The market has responded positively to the acquisition of Berry Global, which is expected to provide Amcor with a period of elevated earnings growth.
- Our underweight position in **Pilbara Minerals (PLS)** contributed to performance in November. At the end of October PLS announced it is putting the Ngungaju plant on care-and-maintenance and lithium prices remained muted which placed downward pressure on the share price.

Key detractors from relative performance:

- Our overweight position in **Newmont (NEM)** detracted from performance in November. At the end of October NEM announced an unexpected downgrade to medium term guidance which surprised the market.

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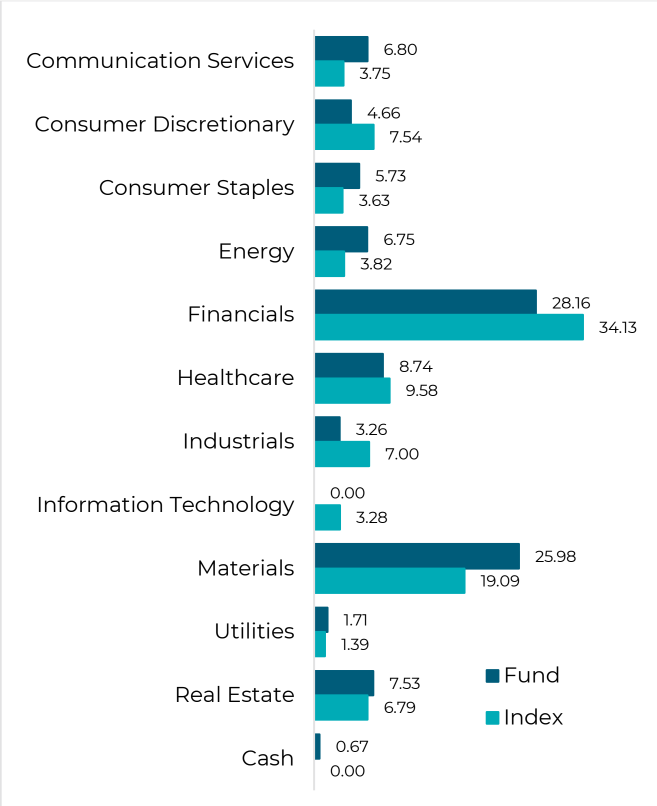
- A number of major banks reported results which were largely in line with expectations. Despite facing an outlook of low growth in earnings, the banks outperformed from already very high levels relative to historical metrics. The **Commonwealth Bank of Australia** outperformed the other banks despite trading at a P/E which is over 4 standard deviations above historical levels.
- Our overweight position in **Iluka** detracted from performance in November. The minerals sand commodity suite remains challenged with ongoing funding negotiations with the Australian government regarding the funding gap for the rare earth refinery.
- Our overweight position in **BHP** detracted from relative performance in November. Whilst iron ore prices remain healthy, BHP hosted its Chile copper site tours which shed light on the capital required for the business to sustain production. This is not an issue specific to BHP but rather an industry wide challenge for the copper market.
- Our underweight position in **Xero (XRO)** detracted from performance in November. Xero shares ripped after delivering on the magic "rule of 40" earlier than expected. Whilst subscriber growth was lower than forecast, margins were stronger thanks to price rises, penetration of the payments product and continued strong cost control.

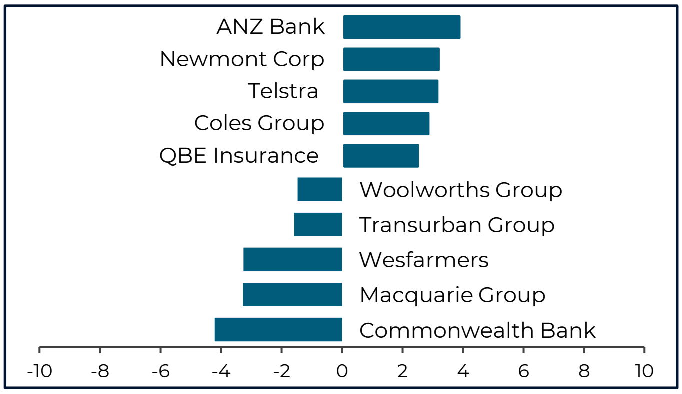
Top 10 Holdings

Security Name	% of Fund
BHP Group	10.12
ANZ Bank	7.66
Commonwealth Bank	6.38
CSL	6.04
Telstra	4.99
Westpac Bank	4.23
Coles Group	3.86
Woodside Energy Group	3.77
QBE Insurance	3.70
Newmont Corp	3.57

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	15.79	3.85%
Benchmark	18.68	3.37%

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

Market Commentary

The S&P/ASX200 Accumulation index rose 3.79% in November as equity markets surged on the back of a Trump election victory. Share markets were buoyant in anticipation of corporate tax cuts. In local currency terms, the MSCI World Index rose 4.88% while the S&P 500 also rose by 5.83%. The Australian 10-year government bond yield decreased by 16 basis points over the month to 4.34%.

The Reserve Bank of Australia (RBA) opted to maintain its cash rate at 4.35% during its November meeting, marking one year since the rate was last increased to this level. This decision aligns with market expectations. The central bank highlighted that while headline inflation has dropped significantly and is projected to remain lower for a while, underlying inflation remains persistently high. This indicates the need for ongoing vigilance against inflationary risks, with the board not ruling out any options. The RBA emphasized that monetary policy would need to stay sufficiently restrictive until it is confident that inflation is consistently heading toward the target range. In terms of household consumption, the RBA observed signs of increased spending in Q3 but noted the potential risk that the recovery may be slower than anticipated, which could result in continued weak output growth and a more pronounced deterioration in the labour market.

Domestic data released throughout November indicates a resilient Australian economy. Australia’s seasonally adjusted unemployment rate was 4.1% in October 2024, remaining unchanged for the third consecutive month and in line with market expectations. Retail sales in Australia rose by 0.60% in October 2024 compared to the previous month. Meanwhile, Australia's CoreLogic National Home Value Index (HVI) increased by just 0.1% in the final month of spring, marking the weakest nationwide result since January 2023. Although this is the 22nd consecutive month of growth, it may be nearing the end of this cycle.

The NAB Monthly Business Survey for October revealed that the business confidence index rose into positive territory for the first in three months and the highest level since January 2023, with notable improvements across most industries, except for construction and retail. Meanwhile, business conditions remained stable, sales increased, profitability held steady, and employment intentions declined.

The Westpac–Melbourne Institute Consumer Sentiment Index rose for the second consecutive month in November, reaching its highest level in two-and-a-half years, as the outlook on the economy and personal finances became more optimistic. However, the index has remained below 100 for almost three years, indicating that pessimists still outnumber optimists. The rebound in consumer confidence has been partly driven by easing concerns over future interest rate hikes. Matthew Hassan, Senior Economist at Westpac, remarked, "Consumers are feeling less pressure on their family finances, no longer worried about further interest rate increases, and are becoming more confident about the economic outlook."

The S&P/ASX200 Accumulation index rose in November. All sectors rose with information technology (10.45%), utilities (9.07%), financials (6.99%), consumer discretionary (6.89%), industrials (5.77%), communication services (5.40%) performing well, with health care (2.89%), real estate (2.51%), consumer staples (1.06% also performing well. The only sectors to experience falls were materials (-2.64%) and energy (-0.67%).

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 321.83 million

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