

TYNDALL AUSTRALIAN SHARE INCOME FUND.

FUND UPDATE

AS AT
30 JUNE 2025

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	-0.19	5.58	4.86	5.58	3.63	4.43	1.17	5.33	0.55	2.16
Fund Distribution return	1.52	1.61	2.70	4.54	4.81	4.93	5.57	5.46	5.61	6.34
Total Fund return (net)*	1.33	7.19	7.56	10.13	8.44	9.36	6.74	10.79	6.16	8.50
Fund grossed up dividend yield				6.68	7.07	7.41	8.48	7.92	8.42	8.57
S&P/ASX 200 Accumulation Index Yield (grossed up for franking credits)				4.60	4.93	5.40	5.46	5.18	5.23	5.71
Excess yield				2.08	2.13	2.01	3.03	2.73	3.19	2.86

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 performed in line with the broader equities market during the month (on a net basis).

The Fund has delivered a grossed up dividend yield of 6.68% 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:

- **Metcash** reported an improved result during the month, suggesting that the trade hardware market had reached its bottom. Although influenced by the concern that hardware was continuing to decline, the better than expected result helped to allay fears.
- Banks performed well during the month and **National Australia Bank (NAB)** performed in line with the banks index. Banks appear to be the beneficiary of the weak performance in resource names, given their large weighting in the index
- **Santos (STO)** contributed to performance in the month of June, following a non-binding indicative proposal from the XRG Consortium led by the Abu Dhabi National Oil Company (ADNOC) to acquire all Santos shares at US\$5.76 per share (A\$8.89 per share as at date of announcement) in cash. This indicative proposal validates our valuation of Santos' portfolio.
- **Newmont Corporation (NEM)** rose during the month of June. The gold price finished higher, but Newmont's relative outperformance was also partly

due to a number of asset sales during the month and lower perceived risk ahead of its next quarterly result compared to peers.

Key detractors from absolute performance over the month:

- **BHP (BHP)** and **Rio Tinto (RIO)** retreated during the month of June as negative sentiment in the commodities space weighed down on this sector. For RIO company-specific developments in late May continue to impact sentiment, including the announcement of the CEO stepping down.
- **CSL** remained under pressure as investors weighed ongoing US policy uncertainty, particularly around potential pharmaceutical tariffs and the implications for the Most Favoured Nation pricing model. While management has indicated preparedness for various regulatory scenarios, sentiment remains cautious. Influenza vaccine provider Seqirus continues to be challenged amid US Health Secretary Robert Kennedy Jr's anti-vaccine rhetoric. Nevertheless, we see material upside in CSL's recovery story, supported by improving plasma collections, gross margin expansion in the Behring business, and an underappreciated pipeline.
- Despite a resilient gold price **Northern Star (NST)** had a weak month as the market incorporated higher costs and capex. We see upside once this is absorbed by the market and focus turns to the relative value of (NST) and growth opportunities like Hemi.
- **Coles (COL)** gave back some of its recent strong performance in June as the market looked for growth. There was some negative news flow regarding price competition in the supermarket sector but data continues to show COL operations outperforming peers.

Top 10 Holdings

Security Name	% of Fund
Commonwealth Bank	7.39
BHP Group	6.25
ANZ Bank	5.88
CSL	5.49
Telstra	5.23
Rio Tinto	4.69
Westpac Bank	4.21
National Australia Bank	3.97
QBE Insurance	3.95
Suncorp Group	2.60

Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	16.41	4.07%

Actual figures may vary. Forecasts are 12 months forward.

* Based on Broker Consensus forecast.

Franking Levels

Financial year ending		%
30 June 2025	(87% on income entitlements)	83.92
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

Market Commentary

The S&P/ASX200 Accumulation index rose by 1.4% in June 2025 despite the uncertainty caused by the threat of tariffs from the Trump administration and continued geopolitical tensions, including the Iran/Israel conflict. In local currency terms, the MSCI World Index rose by 3.7% while the S&P 500 also rose delivering 5.1%. The Australian 10-year government bond yield dropped by 10 basis points over the month to 4.16%.

The Reserve Bank of Australia (RBA) did not hold a policy meeting in June. At its most recent meeting in May, the RBA cut the cash rate by 25 basis points to 3.85%, with RBA Assistant Governor Sarah Hunter noting that ongoing global trade uncertainty is expected to weigh on the domestic economy and labour markets. The move brought borrowing costs to their lowest level in two years, as both headline and underlying inflation returned to the RBA's target range of 2–3%. Furthermore, the latest ABS Monthly CPI Indicator had inflation at 2.1% in the 12 months to May.

The Australian economy grew by 0.2% in the March quarter, a sharp slowdown from the 0.6% rise in the previous quarter and below market expectations of 0.4%. While this marked the 14th consecutive quarter of economic expansion, it was the weakest growth in three quarters. On an annual basis, GDP increased by 1.3%, unchanged from the previous quarter but falling short of the 1.5% forecast. The public sector posted its largest detraction from growth since the September

quarter of 2017. In addition, extreme weather events further weighed on domestic demand and constrained exports, with the impacts particularly evident in the mining, tourism, and shipping industries. Meanwhile, the household savings ratio rose to 5.2% in the March quarter, up from 3.9% in the previous quarter, as growth in gross disposable income outpaced the rise in nominal household consumption.

Other domestic data released during the month included the seasonally adjusted unemployment rate, which remained steady at 4.1% in May 2025—unchanged for the third consecutive month and in line with market expectations. Retail sales rose by 0.2% month-on-month in May, rebounding slightly from a flat result in April but falling short of the anticipated 0.4% increase.

Recent interest rate cuts by the Reserve Bank of Australia, along with the prospect of further easing in the coming months, have helped boost homebuyer confidence. This was reflected in a 0.4% rise in CoreLogic's Home Value Index for June, bringing the annual increase in property prices to 4.6%.

The NAB Monthly Business Survey for May 2025 showed a rise in the Business Confidence Index, turning positive for the first time since January and reaching a four-month high. Confidence improved across most sectors, except manufacturing, mining, and wholesale. However, business conditions continued to ease, extending a steady decline that began in late 2024. Meanwhile, the Westpac–Melbourne Institute Consumer Sentiment Index rose in June 2025. Lower inflation readings and the prospect of interest rate cuts supported the improvement, while weak economic growth and trade tensions weighed on consumers' outlook. Despite the uptick, overall sentiment remains well below its long-term average.

Sector returns were generally positive with defensive sectors lagging in a relative sense. The best performing sectors were Energy (9.01%) and Financials (4.28%). Real Estate (1.66%), Communication Services (1.62%), Consumer Discretionary (1.51%), Industrials (0.91%) and Information Technology (0.72%) also performed well. Materials (-3.09%), Consumer Staples (-2.27%), Health Care (-1.05%) and Utilities (-0.21%) fell.



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 160.59 million

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



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