TYNDALL AUSTRALIAN SHARE INCOME FUND.

FUND UPDATE

AS AT 30 SEPTEMBER 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	-1.14	6.85	12.82	7.33	7.85	7.23	2.56	7.44	1.45	2.53
Fund Distribution return	0.36	0.39	2.14	3.58	4.23	5.14	5.50	5.60	5.58	6.29
Total Fund return (net)*	-0.78	7.25	14.96	10.91	12.08	12.37	8.06	13.03	7.04	8.82
Fund grossed up dividend yield				7.00	7.29	7.39	8.38	8.13	8.48	8.60
S&P/ASX 200 Accumulation Index Yield (grossed up for franking credits)				4.39	4.70	5.02	5.31	5.22	5.18	5.72
Excess yield				2.62	2.59	2.36	3.06	2.91	3.30	2.88

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 7.00% 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:

- **Newmont (NEM)** contributed to performance in September. NEM is rebuilding market trust after operational downgrades in Q324 and Q125. This rebuilding of trust continued in earnest in Sept-25 as NEM reported very solid operational and financial results at its Q225 results as well as upsized its buyback. With the gold price hitting new highs NEM continues to experience consensus earnings upgrades.
- **Northern Star (NST)** contributed to performance in September. Recently the market was concerned that at the Superpit site visit scheduled in early Aug-25, NST would provide a multi-year downgrade to production and higher costs/capex. This did not occur, instead NST presented confidence in the delivery of the mill expansion. With the gold price hitting new highs NEM continues to experience consensus earnings upgrades.
- **Rio Tinto's (RIO)** share price appreciated strongly driven primarily by its largely unhedged exposure to the iron ore price which has remained robust relative to consensus expectations.

- In September, a modest reallocation from CBA to **National Australia Bank (NAB)** contributed to NAB's improved performance. NAB benefited from its greater exposure to business credit, which continued its robust growth.
- **Virgin (VGN)** outperformed during the month, supported by its attractive valuation with a modest P/E ratio at the time of its IPO. With industry conditions remaining stable, it has seen the stock continue to trend modestly higher.

Key detractors from absolute performance over the month:

- **CSL (CSL)** underperformed through September as investor focus shifted to external policy risks. The US administration's announcement of potential tariffs on imported pharmaceutical products added uncertainty, even as CSL highlighted its significant US manufacturing footprint and planned capacity expansions.
- After a strong performance in August, **Metcash (MTS)** weakened in September. The AGM trading update for the first 18 weeks of FY26 was largely in line with expectations but the Total Tools business was a touch weaker, suggesting the cyclical improvement in Hardware is taking longer to come through.
- **Santos (STO)** detracted from performance after the ADNOC-led consortium withdrew its $18.7 billion takeover offer in mid-September. The deal's collapse erased earlier bid-related optimism and drove a sharp share price decline.
- **QBE Insurance (QBE)** underperformed during the month as negative sentiment continued to weigh down on the share price, as the market continued to question the composition of its half year result announcement in August. At 11 times earnings versus the market trading at around 20 times earnings, QBE offers a lot of value in an expensive market.
- The announcement of the dismissal of the well regarded CEO due to misconduct led to a sharp fall in the share price of **Super Retail Group (SUL).** The replacement of the CEO is likely to be a drawn out process which could see operational performance slip in the near term. The divisional managers are all competent, most of the businesses have strong market positions, and the company remains one of the cheapest discretionary exposures in the market.

Top 10 Holdings

Security Name	% of Fund
BHP Group	7.00
ANZ Bank	6.55
Commonwealth Bank	5.59
CSL	5.16
Rio Tinto	5.07
Westpac Bank	5.02
Telstra	4.74
National Australia Bank	4.58
QBE Insurance	3.90
Newmont Corp	3.40

Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	16.20	3.95%

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 fell by -0.8% in September 2025. In local currency terms, the MSCI World Index rose by 1.5% while the S&P 500 also rose delivering 2.1%. The Australian 10-year government bond yield rose by 3 basis points over the month to 4.30%.

At its September meeting, the Reserve Bank of Australia (RBA) left the cash rate unchanged at 3.6%, as widely expected. While the Board noted that both headline and trimmed mean inflation stayed within the 2–3% target range in Q2 2025, its tone shifted slightly more cautious. This comes amid partial and volatile data released since the August meeting, indicating that Q3 inflation may come in higher than they had anticipated.

Financial conditions have eased since the beginning of the year, with June quarter data showing a stronger than expected recovery in private demand, driven by rising real household incomes. This marks a shift, with private demand now overtaking public demand as the primary driver of growth. Domestically, better-than-anticipated figures on both growth and inflation suggest households are becoming more willing to spend. If this trend continues, it may give businesses greater ability to pass on cost increases. Globally, while uncertainty remains elevated, there is now slightly more clarity around U.S. tariffs and international policy responses, reducing the likelihood of more extreme outcomes.

Domestic data releases over the month suggests the Australian economy is holding up well. Australia's gross domestic product grew by 1.8% year-on-year in Q2 2025, beating market expectations of 1.6% and up from 1.4% in Q1. This represents the fastest annual growth rate since Q3 2023. The seasonally adjusted unemployment rate held steady at 4.2% in August 2025. Meanwhile, the Australian Bureau of Statistics' monthly CPI indicator rose 3.0% in the 12 months to August, slightly above consensus expectations of a 2.9% increase and up from 2.8% in the year to July. The latest Monthly Household Spending Indicator showed a modest 0.1% increase in August, reflecting a continued deceleration in growth from the 1% increase seen in June. Australian building permits continued to fall, down 6% month over month in August, with approvals for apartments and townhouses showing notable decreases.

Cotality's Home Value Index rose 0.8% in September, the strongest monthly gain since October 2023, lifting annual growth to 4.8%. Auction clearance rates remain high at 70%. Prices continue to rise as listings hit historic lows, with stock levels below average across every capital city.

The NAB Monthly Survey for August 2025, saw business conditions rise by 2 points, returning to around their long run average level. This was reflected in gains in employment and profitability; however, trading conditions remained flat compared to July. August saw a shift in business confidence, falling by 3 points following four consecutive months of improving sentiment. Meanwhile, the Westpac-Melbourne Institute Consumer Sentiment Index rose by 5.7% to 98.5, reaching a 3 ½ year high. It now sits just 1.6% shy of returning to net positive territory, with texhe RBA's 75bps in rate cuts since January providing a clear boost in sentiment.

In sector results, Materials (6.1%) rose strongly while most other sectors declined. Utilities (0.7%) rose modestly. Energy (-9.8%), Consumer Staples (-4.4%), Health Care (-4.2%), Real Estate (-3.0%), Information Technology (-2.1%), Communication Services (-2.7%), Industrials (-2.0%), Financials (-1.4%) and Consumer Discretionary (-0.9%) all 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 135.44 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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