TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
31 OCTOBER 2025

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	0.94%	3.74%	-5.42%	-6.28%	-3.78%	1.67%	-1.66%	0.10%	-0.79%	2.33%
Fund distribution return	-0.00%	0.00%	16.85%	18.70%	12.98%	11.29%	9.19%	7.67%	7.79%	7.20%
Total Fund (net)	0.94%	3.74%	11.43%	12.41%	9.20%	12.96%	7.53%	7.78%	7.01%	9.53%
Benchmark return	0.39%	2.70%	11.09%	12.46%	13.07%	12.63%	9.67%	8.80%	7.93%	9.53%
Excess Return	0.55%	1.04%	0.34%	-0.05%	-3.87%	0.33%	-2.14%	-1.03%	-0.92%	0.00%

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 outperformed the benchmark over the month.

Key contributors to relative performance:

- Our overweight position in **ANZ** contributed to performance during the month. The stock rallied strongly following the company's investor day which outlined ambitious financial targets under the new CEO.
- **AUB Group** outperformed as its share price increased 13% during the month, after it attracted the interest of Swedish private equity group, EQT Group, with a non-binding indicative offer of $45 per share which is a 40% premium to the prior close price of $32.10 per share, and would value the company at $5.25b. The current share price continuing to hover well below the indicative offer price, suggests the market is concerned about the likelihood of this deal being completed.
- During October **Wesfarmers** gave a trading update at its AGM. This trading update was below market expectations with Officeworks in particular being below due to restructuring. Earnings from the Chemicals and Energy divisions are also expected to be impacted by higher natural gas costs. We are underweight Wesfarmers as its valuation is too high relative to its earnings outlook. This contributed to performance this month.
- Our overweight position in **Rio Tinto (RIO)** contributed to performance in October. RIO's share price appreciated strongly due to its largely unhedged exposure to the iron ore price which has remained strong relative to consensus expectations. Similarly, the second major driver is the copper price which has risen in the wake of the Freeport's Force Majure announcement on the Grasberg operation stoking fears of a looming structural shortage and benefiting prices and earnings outlook.
- **Iluka Resources** contributed to performance during the month following the Chinese announcement of controls on rare earths exports. This development adds to the urgency for a western supply chain for critical minerals and by extension the need for price guarantees to support new projects.

Key detractors from relative performance:

- **CSL** underperformed during October following a downgrade to FY26 and medium-term growth

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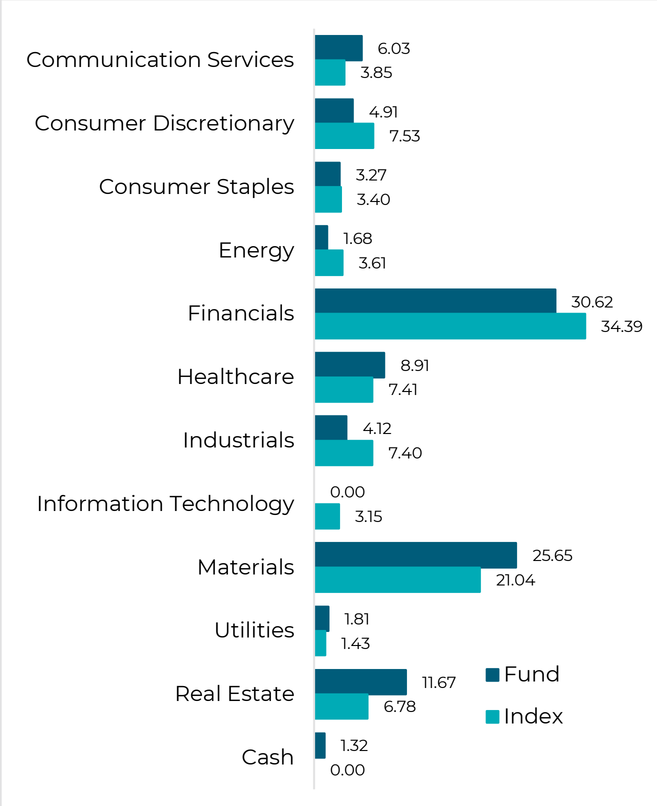
guidance, citing weaker-than-expected US influenza vaccination rates and cost-containment measures impacting albumin demand in China. The magnitude of the downgrade was modest in quantum (~3% to NPATA at the midpoint), but the timing - just two months after the FY25 result - has disappointed investors and raised concerns around management's visibility and credibility. While plasma collection trends and immunoglobulin demand remain healthy, investor confidence will take time to rebuild given the repeated guidance resets.

- The nil position in **Fortescue (FMG)** detracted from performance during the month. FMG rallied after a solid quarterly update indicating better-than-expected price realisations and lower costs than expected.
- **Virgin** underperformed during October as it took a bit of a breather after performing strongly since the IPO, and from rising concerns on the potential changes to credit card interchange fees from the RBA that would potentially negatively impact airline loyalty schemes.
- **Coles** reported a strong Q126 sales result in contrast to Woolworths which reported a weak result. In Q226 Woolworths should report a much better sales result as the impacts of the previous year's industrial action should be partly reversed. The market appears to be buying ahead of the short term temporary reversal in results. On an underlying basis, Coles continues to take market share.
- **Aristocrat** underperformed during the month with market sentiment weakening around the US consumer as well as reports of soft US gross gaming revenue growth for September. We continue to hear of Aristocrat's share wins in the industry on the back of strong gaming content and a series of successful hardware launches this year and our casino calls still points towards a resilient US player base.

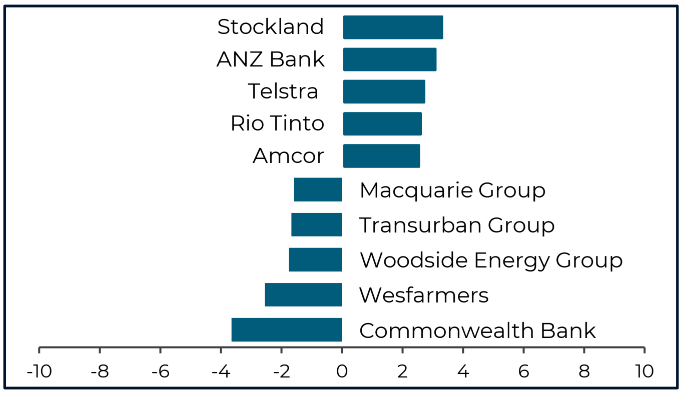
Top 10 Holdings

Security Name	% of Fund
ANZ Bank	7.17
Commonwealth Bank	7.02
BHP Group	6.82
CSL	4.94
Goodman Group	4.92
Telstra	4.79
Rio Tinto	4.44
Westpac Bank	4.41
Stockland	3.90
National Australia Bank	3.50

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	16.59	3.39%
Benchmark	19.15	3.21%

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

Market Commentary

The S&P/ASX200 Accumulation index increased by 0.4% in October 2025. In local currency terms, the MSCI World Index rose by 2.6% while the S&P 500 also rose delivering 2.3%. The Australian 10-year government bond yield finished flat during the month at 4.30%.

The Reserve Bank of Australia (RBA) did not have a meeting scheduled in October. At its previous meeting in September, the Bank kept the cash rate steady at 3.6%. While the Board observed that both headline and trimmed mean inflation remained within the 2–3% target range in Q2 2025, its tone turned slightly more cautious, a move that appears justified, as Q3 inflation has since come in higher than expected.

Australia's annual inflation rate rose sharply to 3.2% in Q3 2025 from 2.1% in Q2, reaching its highest level since Q2 2024 and exceeding market expectations of 3.0%. Goods inflation jumped to a five-quarter high of 3.0% (up from 1.1% in Q2), largely driven by a 23.6% surge in automotive fuel prices and a faster increase in electricity costs (9% vs 8.1%). Services inflation also accelerated to 3.5% from a three-year low of 3.3% in the previous quarter. The RBA's preferred measure of underlying inflation trimmed mean inflation rose 3.0% year-on-year, above the 2.7% consensus forecast, marking its highest reading since Q4 2024.

Domestic data releases indicate that the Australian economy may be at an inflection point, as both unemployment and inflation have edged higher. Australia's seasonally adjusted unemployment rate rose to 4.5% in September, up from 4.3% in August. It marked the highest jobless rate since November 2021. Australian building permits jumped 12% in September, beating expectations after two months of declines. Cotality's Home Value Index rose 1.1% in October. It was the fastest pace of home value growth in more than two years, "confirming a new cycle of growth", Cotality said, with gains recorded in all capital cities over the month.

The NAB Monthly Survey for September 2025, saw the Business Confidence Index rise from August's three-month low, remaining above the long-run average. Business conditions were unchanged, as stronger sales and profits were offset by weaker employment. However, forward orders slipped into negative territory, signalling softer demand ahead. Input costs edged up slightly but stayed well below early-year levels. Quarterly retail price growth picked up, while labour cost growth eased. Meanwhile, the Westpac-Melbourne Institute Consumer Sentiment Index decreased in October 2025, marking the lowest reading in five months.

Sector returns were mixed with Materials (4.3%) and Energy (3.7%) performing well while Financials (1.5%) and Industrials (1.3%) rose to a lesser extent while most other sectors declined. Consumer Staples (0.2%), Real Estate (0.5%) and Utilities (0.5%) performed largely in line with the index. Information Technology (-8.4%), Consumer Discretionary (-6.8%), Health Care (-4.8%) and Communication Services (-1.2%) declined.

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

Buy/Sell Spread
0.20%/0.20%

APIR Code
TYN0028AU

Management Cost
0.80% p.a.

Portfolio Manager
Tim Johnston, Jason Kim

Distribution Frequency
Half yearly

Asset Allocation

Australian Shares	80% - 100%
International Shares	0% - 10%
Cash	0% - 10%

Fund Size
AUD 229.36 million

Minimum Investment
AUD 10,000 or platform nominated minimums

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