

TYNDALL AUSTRALIAN SHARE INCOME FUND.

FUND UPDATE

AS AT
31 JULY 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	4.09	2.14	1.77	2.17	4.33	0.84	6.49	0.47	0.59	2.20
Fund Distribution return	0.00	1.15	1.99	5.10	5.16	5.96	5.76	5.41	5.96	6.44
Total Fund return (net)*	4.09	3.29	3.76	7.27	9.49	6.80	12.25	5.88	6.55	8.63
Fund grossed up dividend yield				7.44	7.82	9.11	8.27	7.97	8.65	8.65
S&P/ASX 200 Accumulation Index Yield (grossed up for franking credits)				5.27	5.80	5.74	5.34	5.22	5.41	5.75
Excess yield				2.17	2.02	3.37	2.93	2.75	3.24	2.89

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 7.44% 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:

- **Westpac and CBA** outperformed during the month in line with the banking sector on no stock specific news.
- **Telstra** contributed to performance as the company announced mobile price increases allaying market fears that started back in May

when management stepped away from CPI linked annual increases. The stock has now recovered all of the underperformance since that announcement.

- The rally in the gold price in combination with a strong June quarter production result contributed to **Newmont** outperforming the market.

Key detractors from absolute performance over the month:

- The Third Plenum of the 20th National Congress of the Communist Party of China provided no positive news regarding stimulating the economy and thus weighed on the resources sector during the month including on **Iluka**. The operating result for the June quarter was in line, however, it was

disappointing to receive no update on the funding of the Eneabba Rare Earths refinery.

- **Woodside** announced the acquisition of Tellurian that includes its owned and operated Driftwood LNG development that is on the US Gulf coast. The market reacted negatively to this news and the share price fell post the announcement. We think the acquisition is a low risk and sensible geographic and resource diversification for Woodside's global ambition to be a leading LNG company.
- Despite solid June quarter operating results, weak commodity prices during the month as the expectations of stimulus faded post the Chinese Third Plenum meeting resulted in **Rio Tinto** and **BHP** underperforming.

Top 10 Holdings

Security Name	% of Fund
BHP Group	7.09
ANZ Bank	6.33
Westpac Bank	5.70
Telstra	5.47
CSL	5.21
Rio Tinto	5.08
Commonwealth Bank	4.65
QBE Insurance	3.34
Woodside Energy Group	3.11
National Australia Bank	2.82

Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	14.77	4.60%

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 4.19% over the month lifting the overall index to a new all-time high. The Q2 CPI print released in July was lower than expected at 3.8% and this reduced expectations of a central bank rate rise fuelling stocks. Stocks were also buoyed by expectations of a rate cut in the United States. In local currency terms the MSCI World Index increased by 1.25% over May 2024 while the S&P 500 also increased by 1.19%. The Australian 10-year government bond yield fell 19 basis points over the month to 4.12%.

There was no monetary policy meeting the month of July and during the previous Reserve Bank Monetary policy meeting on the 18th of June members decided to hold the cash rate unchanged at 4.35.

Domestic data releases throughout July were mixed. Australia's monthly CPI indicator was 3.8% in the 12 months to June down from the 4.0% in the 12 months to May. This moderation in the CPI number drove gains across many sectors as positive sentiment increased. However, many market observers have cautioned that the August results season is expected to present some risks particularly for stocks where significant earnings upgrades are needed to further support share prices. Seasonally adjusted unemployment in June increased slightly to 4.1% and Australian retail sales in June rose 0.5% month on month.

CoreLogic's national Home Value Index (HVI) continued its upward trajectory in June 2024, rising 0.7%. The annual rise of 8.0% across FY2023-24 has eased from the highs in mid-2023. Downside risks such as high interest rates, cost of living pressures have moderated the increases while a low housing supply relative to demand continues.

The NAB Monthly Business Survey noted that business conditions eased further down in June with declines in wholesale, construction, manufacturing and finance, business and property. Business confidence rose but other activity indicators were mixed with forward orders flat and price and cost growth measures falling slightly. The employment index fell perhaps signalling that the broader slowing in the economy is flowing through to labour demand.

The Westpac Melbourne-Institute Consumer Sentiment Index fell to 82.7 in July from 83.6 in June. Family finances were a particular cause of grievance as fears of inflation and a further rate rise persist offsetting

the effect of the stage 3 tax cuts and other fiscal support measures.

Sector returns were positive in the month of July as almost all sectors reacted positively to the June quarter inflation numbers with consumer discretionary (9.09%), real estate (6.66%), financials (6.26%), industrials (5.65%), communication services (5.28%), health care (4.67%), consumer staples (3.95%) all performing well and with information technology returning 0.22%. Utilities fell returning -2.85%, with energy (-0.37%) and materials (-0.11%) also falling.



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 160.57 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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