TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
31 JANUARY 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	4.21%	0.57%	0.65%	-3.24%	-3.09%	-2.99%	-1.40%	0.47%	-0.21%	2.63%
Fund distribution return	-0.00%	1.82%	1.82%	12.17%	10.58%	8.19%	7.63%	6.63%	7.32%	6.81%
Total Fund (net)	4.21%	2.39%	2.47%	8.93%	7.49%	5.20%	6.23%	7.10%	7.11%	9.44%
Benchmark return	4.57%	5.11%	7.32%	15.17%	11.43%	7.96%	8.64%	8.70%	8.20%	9.53%
Excess Return	-0.36%	-2.72%	-4.85%	-6.24%	-3.94%	-2.76%	-2.41%	-1.60%	-1.09%	-0.09%

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:

- **Newmont** contributed to performance in January on the back of a sharp rise in the price of gold. Gold has continued to benefit from buying by the Chinese central bank as well as heightened geopolitical tensions and concerns around government debt levels in the western world.
- **QBE Insurance** (QBE) outperformed during the month as the positive sentiment in the general insurance sector continued to drive stock prices upwards. Positive December quarter results from some of its global peers were well received by the markets and further aided QBE.
- Our overweight position in **ANZ** contributed to performance. The bank sector performed strongly despite no material news or change to the outlook, continuing the momentum in share price increases they enjoyed through 2024.
- **ResMed** outperformed through January as the market's expectations strengthened in the lead up to the 2Q25 result. The result was a beat to consensus expectations.
- The nil position in **Transurban** contributed to relative performance in January. The company lagged the market rally following media reports suggesting that negotiations with the NSW Government regarding toll roads may result in the company foregoing some near-term cashflow. This would likely be offset by concession extensions.

Key detractors from relative performance:

- Our position in **Iluka Resources** detracted from performance during the month. The underperformance was driven by a poor quarterly result, in which both volumes and prices fell short of market expectations. While Iluka continues to support mineral sands pricing by withholding supply during periods of weak demand, other producers have been less disciplined and prices have fallen modestly as a result.
- **Telstra** lagged the market's strong run in January detracting from performance. Its competitors

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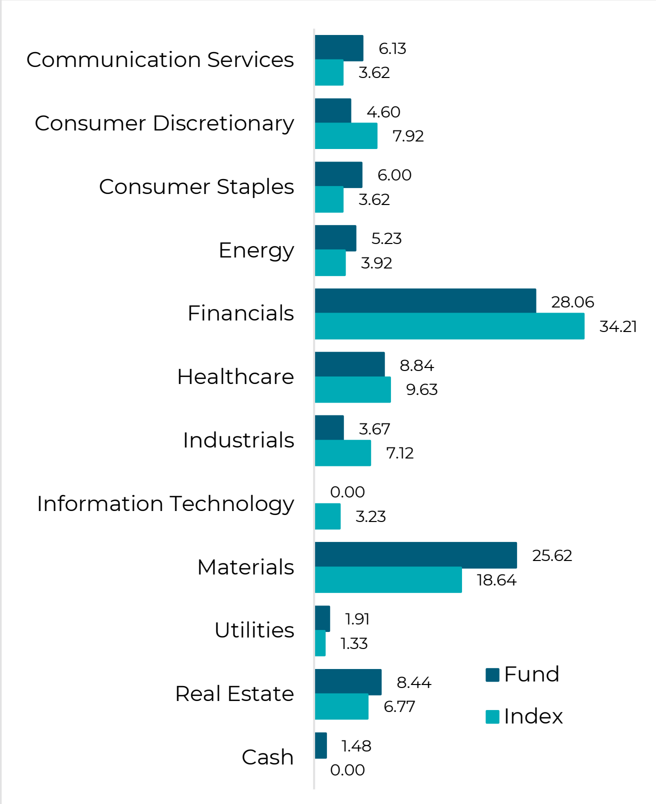
Optus and Vodafone began their network sharing arrangement. The deal will give Vodafone greater coverage in regional areas but Telstra still has 3 times the geographic coverage of its competitors and commands a material pricing premium for that.

- The nil position in **Macquarie Group** detracted from performance. The stock outperformed the market following its announcement that it will invest up to $5b in data centres.
- **APA Group** underperformed during the period in the absence of any stock-specific news. The share price fall is most likely explained by the rise in bond yields in recent months.
- **Treasury Wine Estates (TWE)** detracted from performance in January. The recently released Nielsen data on the US wine industry showed the industry continuing to contract and TWE is losing share. However, we caution that TWE's business is increasingly exposed to the luxury on-premise channel which is not captured in the Nielsen data.

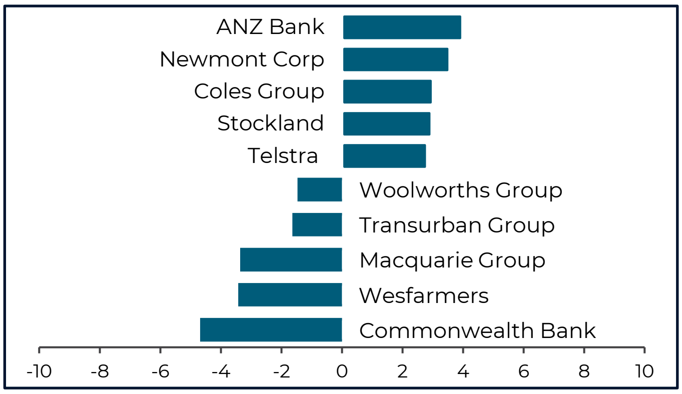
Top 10 Holdings

Security Name	% of Fund
BHP Group	7.55
ANZ Bank	7.53
CSL	6.31
Commonwealth Bank	5.89
Telstra	4.54
Westpac Bank	4.22
Coles Group	3.97
QBE Insurance	3.87
Newmont Corp	3.84
Rio Tinto	3.53

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	15.95	4.26%
Benchmark	18.70	3.44%

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

Market Commentary

The S&P/ASX200 Accumulation index rose by 4.57% in January 2025. In local currency terms, the MSCI World Index also rose 3.46% while the S&P 500 rose 2.76%. The Australian 10-year government bond yield increased by 7 basis points over the month to 4.43%. Significant geo political risks remain with the commencement of a North American trade war and the uncertainty for inflation and a tightening stance by the US Federal Reserve.

The Reserve Bank of Australia (RBA) kept its cash rate at 4.35% during its final meeting of 2024, marking the ninth consecutive meeting without any change to borrowing costs, the decision was in line with market expectations. The central bank noted that while headline inflation has significantly eased and is expected to remain low for some time, underlying inflation remains too high, with a target of reaching the 2-3% range by 2026. The RBA emphasised that its decisions would continue to be guided by incoming data and the evolving risks, including geopolitical uncertainties. Quarterly December CPI published in January rose by 0.2% and over the 12 months to the December 2024 quarter, the CPI rose 2.4%. This was less than the 2.8% increase in CPI recorded in the 12 months to the September 2024 quarter and continues to ease. Markets are pricing in a high probability of a rate cut during the next RBA meeting on the 18th of February however many analysts are cautious noting that inflation results are muddied by government subsidies and that the Australian labour markets continue to show resilience.

Domestic data released throughout January continues to point to a fairly resilient Australian economy. Australia's seasonally adjusted unemployment rate increased very slightly to 4.0% in December 2024, from 3.9% in the previous month. Retail sales in Australia fell slightly by 0.1% month on month in December 2024, but were still strong rising 4.6% compared to December 2023. Business turnover rose 2.0% in November in seasonally adjusted terms with 10 of 13 industries rising with mining in particular rising 5.7%.

CoreLogic's Home Value Index (HVI) noted that 3 out of the 8 capital cities recorded a small decline in home values during January as the momentum in home value growth slows. Annually, home value growth has either slowed compared to the prior year or has declined. This marks the conclusion of a surprisingly strong and resilient growth period from February 2023 to October 2024, despite high interest rates, cost of living pressures, and reduced borrowing capacity. CoreLogic's national Home Value Index (HVI) is now down -0.3% from the record highs in October 2024.

The NAB Monthly Business Survey for December saw business conditions edge higher in December largely reversing the fall seen in November and almost returning to the long run average. Most industries recorded an improvement with retail re-entering positive territory for the first time since November 2023.

The Westpac-Melbourne Institute Consumer Sentiment Index in Australia fell in a little further in January 2025 (92.1) following a fall in December 2024 and reversing the previous two months of positive momentum. The headline Consumer Sentiment Index is a composite measure based on five sub-indexes: two tracking current conditions and three tracking expectations. In January, the two sub-indexes tracking current conditions declined while the forward-looking ones were flat or increasing, a reversal of the pattern in December. The uncertainties in the global backdrop and the potential impacts on the Australian economy as well as the depreciation of the Australian dollar against the US dollar are some of the possible reasons for this pessimism.

Sector returns were almost all positive during the month. Consumer discretionary (7.13%), financials (6.12%), real estate (4.67%), information technology (4.15%) and materials (4.02%) rose substantially. The remaining sectors also rose but to a lesser extent with industrials (3.38%), health care (3.20%), energy (3.00%), communication services (2.43%) and consumer staples (0.69%) posting positive returns. Utilities (-2.40%) was the only sector to fall.

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
Tim Johnston, 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 275.14 million

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