TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
28 FEBRUARY 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	-2.30%	-4.02%	-2.07%	-5.26%	-5.10%	-1.48%	-2.23%	0.26%	-0.53%	2.54%
Fund distribution return	0.00%	1.74%	1.77%	11.91%	10.36%	8.33%	7.57%	6.62%	7.30%	6.79%
Total Fund (net)	-2.30%	-2.28%	-0.29%	6.65%	5.26%	6.84%	5.34%	6.88%	6.78%	9.33%
Benchmark return	-3.79%	-2.56%	2.77%	9.94%	9.23%	8.86%	7.51%	8.27%	7.87%	9.37%
Excess Return	1.49%	0.28%	-3.07%	-3.28%	-3.97%	-2.02%	-2.17%	-1.39%	-1.09%	-0.04%

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:

- The **Telstra** share price shot up after delivering a comforting result anchored by continuing strength in its market leading mobile business and strong cost control. The kicker was a surprise $750M share buyback in addition to the already attractive dividend.
- Our underweight position (not held) in **WiseTech** benefited performance. WiseTech saw a significant de-rating following the resignation of four independent directors followed by the appointment of founder and major shareholder Richard White as Executive Chairman.
- **BlueScope Steel** outperformed through February on the pick up in US steel spreads from recent trough levels. This was in part a function of assistance from tariffs.
- **Coles** performed well during the month on the back of a very strong result which demonstrated the success of investments into supply chain management. Sales growth was also strong and the start of the June half of the year has begun well.
- **Amcor** outperformed though February given it noted increased confidence around synergies related to the recent acquisition of Berry at its result and continued volume improvements.

Key detractors from relative performance:

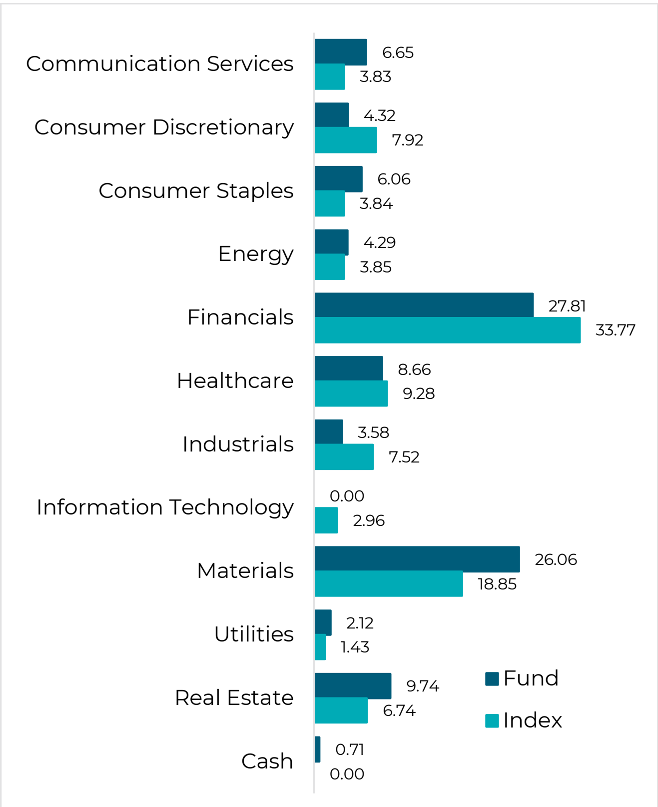
- Our nil holding in **Computershare** detracted from performance as it performed very strongly after announcing a better than expected result. The strength was seen via better reported transactional revenues and an upgraded guidance.
- The strength of the **Commonwealth Bank of Australia (CBA)** share price during the month detracted from performance due to the underweight position. While the banks generally reported weaker results due to worsening credit quality and disappointing margin trends, CBA's result was a little better and it outperformed its peers.
- **Reliance Worldwide** underperformed though February given continued delays in the potential recovery of the US renovate and remodel market.

- Not owning **Brambles** detracted from performance as the company delivered a strong result in February. The company finally won some new business to its pooled pallet model and cashflows were strong as they continue to enjoy a capex holiday thanks to post COVID destocking by its customers and retailers.

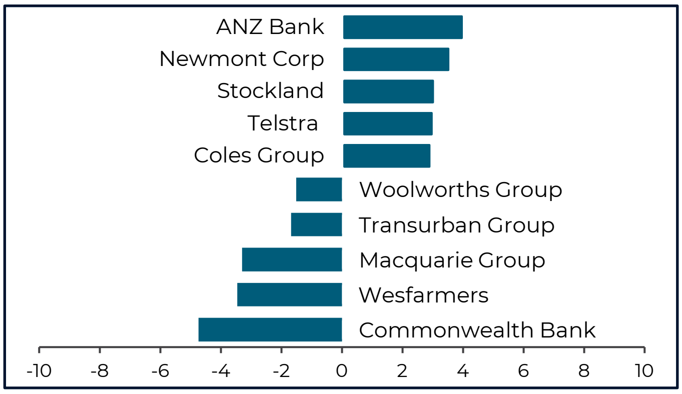
Top 10 Holdings

Security Name	% of Fund
ANZ Bank	7.65
BHP Group	7.60
CSL	6.20
Commonwealth Bank	6.04
Telstra	4.94
Westpac Bank	4.13
Coles Group	4.00
QBE Insurance	3.90
Newmont Corp	3.89
Rio Tinto	3.61

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	15.88	3.81%
Benchmark	18.05	3.44%

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

Market Commentary

The S&P/ASX200 Accumulation index fell by 3.79% in February 2025 with multiples adjusting as the broader market de-rated with banks in particular derating although P/E ratios are still well above historical averages. In local currency terms, the MSCI World Index also fell slightly by -0.96% while the S&P 500 fell -1.34%. The Australian 10-year government bond yield decreased by 14 basis points over the month to 4.29%. Uncertainties remain in terms of the Reserve Bank of Australia's rate cutting cycle amid a challenging global backdrop.

The Reserve Bank of Australia (RBA) cut its cash rate by 25 basis points to 4.1% during its February meeting, in line with market expectations. This marked the first rate reduction since November 2020, driven by a continued slowdown in underlying inflation. The central bank expressed growing confidence that inflation is steadily moving towards the midpoint of its 2–3% target range, citing the impact of higher interest rates in balancing aggregate demand and supply. However, the RBA also pointed out an uncertain economic outlook, highlighting a slower-than-expected recovery in private demand and doubts about the sustainability of the household spending recovery that began in late 2024. Global risks remain significant, driven by geopolitical tensions and policy uncertainties, particularly due to the unpredictability of the new US administration. While aligning with the global easing trend ahead of the federal election and with rates still within the restrictive range, the RBA board has expressed caution regarding further policy cuts.

Domestic data released throughout February indicates a resilient Australian economy. The Australian economy expanded by 0.6% quarter-on-quarter in the fourth quarter of 2024, up from a 0.3% increase in the third quarter. This marked the 13th consecutive period of quarterly growth and the fastest pace since the fourth quarter of 2022. On an annual basis, GDP grew by 1.3% in 2024. Australia's seasonally adjusted unemployment rate rose to 4.1% in January 2025, up from 4.0% in December, in line with market expectations. Retail sales in Australia rose by 0.3% month-on-month in January 2025, reversing the 0.1% decline recorded in the previous month and in line with market expectations.

Expectations of lower interest rates appear to be translating into improved buyer sentiment, with CoreLogic's national Home Value Index recording a 0.3% increase in February, reversing the brief three-month downturn that had pushed the national measure of home values down by 0.4%. The February rise, though modest, was widespread, with every capital city, except for Darwin (-0.1%) and Regional Victoria (flat), posting a monthly increase in values.

The NAB Monthly Business Survey for January showed a softening in business conditions, with sales and profitability declining, while employment saw a modest increase. In contrast, the business confidence index rose to 4, up from -2 in December, nearly returning to its long-run average, driven by broad-based gains across industries. Despite the rise in confidence, the survey revealed declines in most activity metrics, including capex, suggesting that while demand remains resilient, economic growth is likely still soft.

The Westpac-Melbourne Institute Consumer Sentiment Index in Australia edged up by 0.1% in February 2025, indicating little change in consumer sentiment. Despite this modest increase, consumers remain cautious due to stretched household finances and ongoing cost-of-living pressures. However, there are signs of growing optimism about the future, particularly among mortgage holders, who have seen the most significant improvement since last year, driven by better-than-expected inflation data and rising expectations of further interest rate cuts.

The S&P/ASX200 Accumulation index fell during the month. Sector returns were mostly negative during the month. Utilities (3.15%), Communication Services (2.60%), Consumer Staples (1.47%) and Industrials (1.40%) rose. The remaining sectors fell, with minor falls in Materials (-2.91%), Consumer Discretionary (-3.13%) and Financials (-4.42%) and more substantial falls in Energy (-5.15%), Real Estate (-6.41%) and Health Care (-7.66%). The largest fall was experienced by Information Technology which returned -12.28%.

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 262.71 million

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