TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
31 JANUARY 2024

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	1.37%	6.93%	-2.38%	-5.71%	1.51%	-0.37%	-0.13%	2.93%	1.07%	2.84%
Fund distribution return	-0.00%	2.39%	2.18%	6.96%	8.28%	7.90%	6.88%	6.13%	7.05%	6.63%
Total Fund (net)	1.37%	9.32%	-0.20%	1.25%	9.79%	7.53%	6.75%	9.05%	8.12%	9.47%
Benchmark return	1.19%	13.99%	5.79%	7.09%	9.56%	9.71%	8.39%	9.88%	8.90%	9.35%
Excess Return	0.19%	-4.67%	-6.00%	-5.84%	0.23%	-2.17%	-1.64%	-0.82%	-0.78%	0.12%

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 overweight position in **ResMed** contributed to performance during the month of January. This followed the release of the 1H24 results, which beat consensus and alleviated some of the market's concerns around GLP-1s, Philips' return to the market and gross margin recovery.
- **QBE Insurance** outperformed during the month as bond yields started to recover after a meaningful decline in December. In addition, one of its closely followed offshore peers, US insurer Travelers (TRV), reported a positive Q4 result which improved sentiment in QBE.
- Our overweight position in **Iluka** contributed to performance during the month. Despite the weak mineral sand market, Iluka highlighted in the Dec quarter production report signs that demand and pricing in TO2 is starting to stabilise leading to the outperformance of the stock during January.
- The major banks continued to rally as the market started to price in the benefits of rate cuts, a more rational competitive environment and the low risk of a bad debt credit cycle. We remain underweight the banking sector given bank earnings are forecast to significantly decline over 2024 and they are trading at lofty multiples. The overweight position in **ANZ** which we consider the most attractively priced bank added to performance during the month.

Key detractors from relative performance:

- **29Metals** has encountered a tough year and quarter marked by lower copper production, increased costs and ongoing cash consumption in its operations. Looking forward, 29Metals represents deep value with the market remaining concerned with regards to the balance sheet. Our small overweight position detracted from performance during the month of January.
- A combination of weak operating performance and implications of the takeover of Newcrest has adversely impacted **Newmont** which has underperformed gold peers. We have an overweight position in Newmont given its attractive valuation and low- cost long- life mines.
- Banks performed strongly during January as the

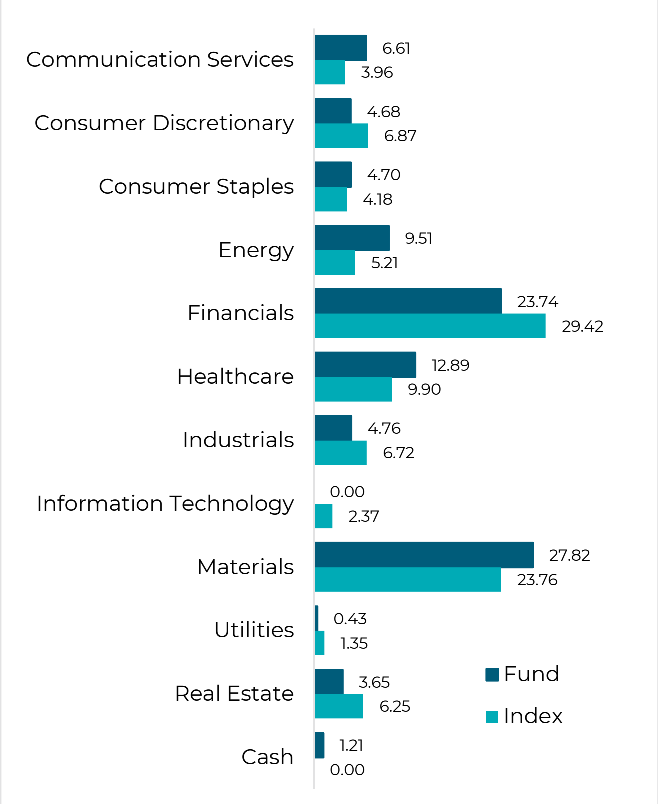
improved economic outlook means the risks of large bad debt expenses has fallen. **CBA** performed in line with the other banks, but it is currently trading very close to all time high multiples. We consider this stock to be very expensive compared to the other major banks.

- **BHP & Rio** gave back all the performance from December during January in line with the fall in iron ore prices. Iron ore remains at elevated levels above US$130/t and thus the companies continue to generate substantial profits and cashflows. Our overweight positions detracted from performance.

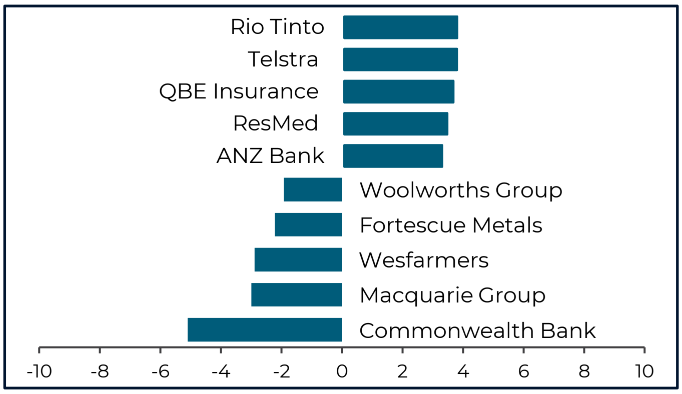
Top 10 Holdings

Security Name	% of Fund
BHP Group	13.02
CSL	7.73
ANZ Bank	6.91
Rio Tinto	6.00
Telstra	5.87
QBE Insurance	4.75
ResMed	4.15
Woodside Energy Group	4.13
Santos	3.76
Commonwealth Bank	3.52

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	13.82	4.26%
Benchmark	16.67	3.78%

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

Market Commentary

The S&P/ASX 200 Accumulation Index increased by 1.19% over the month. In local currency terms the MSCI World Index rose by 1.79% over January 2024 while the S&P 500 also rose by 1.65%.

The Reserve Bank of Australia kept the cash rate at 4.35% at its December meeting. The decision to hold the rate steady was based on economic data received over the past month showing that inflation continued to decline but remained high.

Domestic data releases through January were mixed. Australia's monthly CPI indicator rose 3.4% in the 12 months to December. Seasonally adjusted unemployment in December remained the same at 3.9%. Australian retail turnover fell 2.7 per cent (seasonally adjusted) in December 2023 following a rise in November due to the black Friday sales. This shift in spending from December to November seems to reflect the growing popularity of Black Friday sales and cost of living pressures encouraging consumers to search for bargains.

CoreLogic's national Home Value Index (HVI) continued its upward trajectory in January 2024 rising 0.4%. This was the 12th straight month of value rises. Overall CoreLogic's national Home Value Index (HVI) rose 8.1% in 2023, a significant turnaround from the -4.9% drop seen in 2022, but well below the 24.5% surge recorded in 2021.

Australia's NAB Monthly Business Survey in December noted that business conditions eased further. The decline in conditions was led by manufacturing and construction. Elsewhere, conditions remained weak in retail but remained elevated in the services sectors. "Overall, both confidence and conditions are softest in manufacturing, retail and wholesale which reflects that consumers have been cutting back on spending as time has gone on," said the NAB Chief Economist Alan Oster.

The Westpac Melbourne Institute Consumer Sentiment Index declined 1.3% to 81 in January from 82.1 in December. The survey noted that consumers remain concerned about cost-of-living pressures and high interest rates. This continues despite a notable easing in rate rise fears.

The majority of sectors performed well led by energy (5.22%), financials (4.96%), health care (4.28%), consumer discretionary (2.48%), communication services (1.66%), real estate (1.23%) and information technology (1.18%) with industrials and consumer staples performing in line at 0.01% and -0.01% respectively. Utilities and materials fell -1.50% and -4.80% respectively.

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
Brad Potter, 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 444 million

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