

TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
28 FEBRUARY 2022

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	4.04%	2.80%	-1.58%	9.83%	0.30%	-1.46%	3.00%	-0.80%	2.09%	3.44%
Fund distribution return	0.00%	1.74%	1.66%	4.78%	6.52%	7.45%	5.85%	6.38%	6.48%	6.37%
Total Fund (net)	4.04%	4.54%	0.09%	14.62%	6.83%	5.99%	8.85%	5.58%	8.57%	9.80%
Benchmark return	2.14%	-1.72%	-4.15%	10.19%	8.43%	8.48%	9.56%	5.69%	8.21%	9.39%
Excess Return	1.89%	6.26%	4.24%	4.43%	-1.60%	-2.49%	-0.71%	-0.11%	0.36%	0.41%

Source: BNP Paribas. 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 nil holding in **Wesfarmers** contributed to performance. Despite earnings being close to guidance, the very weak results from Department Stores and Officeworks raised concerns. Our view is that the market has been overly focused on the "good" part of Wesfarmers, Bunnings, and ignored the issues in the lesser operations.
- **Ardent Leisure** contributed to performance, on the back of its primary asset, Main Event, continuing its strong recovery, where revenue is running well ahead of pre-COVID levels.
- **Woodside Petroleum** contributed to performance. Oil and gas prices strengthened over the month on rising geopolitical risks due to the Russia/Ukraine conflict but also due to more fundamental factors such as the ongoing demand recovery to pre-COVID levels amidst underwhelming supply.
- **Westpac** contributed to performance. Westpac issued a better-than-expected Q1 update that saw

costs more in control and a decent one-off gain in treasury. Despite the banks selling-off late in the month, Westpac is viewed as a slightly more defensive bank and thus held onto most of its early month gains.

- **Coles** contributed to performance. Coles reported a better result than Woolworths in the Supermarket operation. This was due to better control of COVID costs and the large cost-out program that Coles has been running which delivered substantial benefits.

Key detractors from relative performance:

- **Aristocrat Leisure** detracted from performance. With the Ukraine crisis unfolding, Aristocrat underperformed on the basis that it has design studios located in the Ukraine. The company is in the process of relocating its impacted employees and does not expect a material impact to earnings.
- Our nil holding in **South32** detracted from performance. South32 is seeing favourable price moves across almost all of its commodity mix which includes metallurgical and thermal coal and

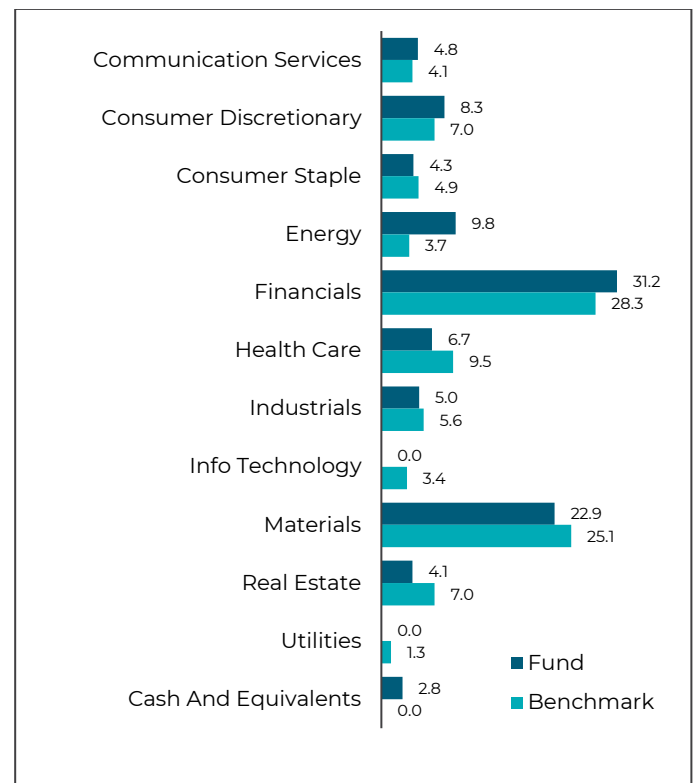
base metals, driven higher largely as a result of increased energy prices.

- **Downer** detracted from performance. Downer reported a messy 1H22 result and was not particularly positive around its outlook. That said the Core Urban Services businesses delivered earnings growth and the outlook may not be as bad as initially suggested.
- Our nil holding of **Newcrest Mining** detracted from performance, as gold prices rallied on rising geopolitical tensions and increased inflation risks.
- **ANZ** detracted from performance. Despite early gains in the month on the back of ANZ reporting a better-than-expected Q1 update, banks sold-off later in the month as the market went into risk-off mode.

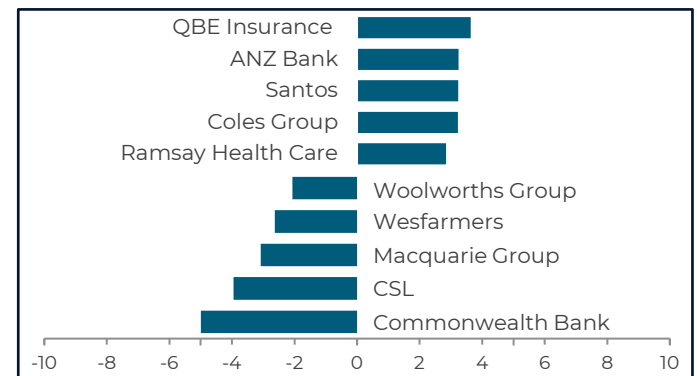
Top 10 Holdings

Security Name	% of Fund
BHP Group	10.98
ANZ Bank	6.69
National Australia Bank	6.17
Westpac Bank	6.14
QBE Insurance	4.35
Coles Group	4.25
Santos	4.21
Telstra	3.81
Ramsay Health Care	3.33
Aristocrat Leisure	3.11

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	14.07	4.51%
Benchmark	16.30	4.10%

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

Market Commentary

The S&P/ASX 200 Accumulation Index returned 2.1% during the month. Australian equities outperformed global equity markets in February, on the back of a largely positive reporting season. Global markets struggled during the month as rising geopolitical tensions made for an uncertain outlook. In the major developed markets, the DJ Euro Stoxx 50 was down 5.9%, the US S&P 500 was down 3.0% and Japan's Nikkei 225 was down 1.7% (in local currency terms). The UK's FTSE 100 bucked the trend to be up 0.3%.

Monetary policy settings remained unchanged during the month as the Reserve Bank of Australia (RBA) maintained the cash rate target at 0.10%. As expected, the bond purchase program has ended, with the final purchases having taken place on 10 February.

Domestic economic data releases in February were mixed. The Australian economy expanded by 3.4% in Q4, exceeding market forecasts of 3.0% and recovering from a 1.9% fall in the previous quarter. Employment rose by 12,900 positions in January, which was above market expectations. The unemployment rate remained unchanged at 4.2%. The NAB Survey of Business Conditions fell 5 points, to +3 index points in January, declining below its long-run average. While business confidence rebounded 15pts in January to +3 index points, confidence rose across all industries outside of mining, and across all states. Retail sales fell 4.4% in December. National CoreLogic dwelling prices saw another consecutive monthly rise in February, ending the month up 0.6%, but marks the lowest monthly growth reading since October 2020.

Returns at sector level were wider than normal in February. The best performing sectors were energy (8.6%), consumer staples (5.6%) and materials (5.2%). Utilities (3.4%) and financials (3.0%) also outperformed the broader index. Real estate (1.7%), industrials (0.4%), health care (-0.2%), communication services (-2.2%) and consumer discretionary (-5.0%) all underperformed the broader index, while information technology (-6.6%) was the worst performing sector.



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 Investment Management Limited

Buy/Sell Spread

0.25%/0.25%

APIR Code

TYN0028AU

Management Cost

0.80% p.a.

Portfolio Manager

Brad Potter, Jason Kim

Distribution Frequency

Half yearly

Asset Allocation

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

Fund Size

AUD 690.11 million

Minimum Investment

AUD 10,000 or platform nominated minimums



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