TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
30 JUNE 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	-15.13%	-16.15%	-10.30%	-9.78%	-2.54%	-4.13%	2.48%	-1.06%	1.44%	2.92%
Fund distribution return	8.47%	8.37%	8.95%	10.68%	6.88%	8.47%	6.54%	5.87%	6.91%	6.64%
Total Fund (net)	-6.66%	-7.79%	-1.36%	0.90%	4.34%	4.34%	9.02%	4.81%	8.35%	9.56%
Benchmark return	-8.77%	-11.90%	-9.93%	-6.47%	3.34%	6.83%	9.29%	4.67%	8.13%	9.03%
Excess Return	2.11%	4.12%	8.57%	7.37%	1.00%	-2.48%	-0.27%	0.14%	0.22%	0.53%

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:

- **Woodside Energy** outperformed, as the BHP Petroleum merger came into effect and was viewed favourably by the market dispelling fears of substantial forced net selling by BHP shareholders who received Woodside Energy stock in exchange for the Petroleum assets. Oil prices were volatile through the month, but little changed as supply concerns and recession risks appear more balanced in oil markets than for metals.
- **Coles** outperformed, as prospects of a recession and along with higher inflation, led investors to favour the defensive characteristics of its supermarket business. The supermarket industry is rational, with cost inflation being readily passed on to consumers, Coles is expected to perform well in this economic environment.
- **SkyCity Entertainment** contributed to performance. SkyCity Entertainment provided FY22 guidance, highlighting a stronger than expected trading environment with earnings materially above consensus estimates. The company continues to trade on a depressed multiple despite lower capital expenditure requirements and a relatively clear earnings recovery story.
- **QBE Insurance** contributed to performance. June saw the market continue to focus on the impact of rising interest rates, which is favourable for the insurance sector as investment income on their premium float is set to benefit.
- The underweight holding in **Commonwealth Bank** contributed to performance. Interest rate increases, along with prospects of a recession drove banking stocks down in June. Banks tend to underperform with increasing recession risk.

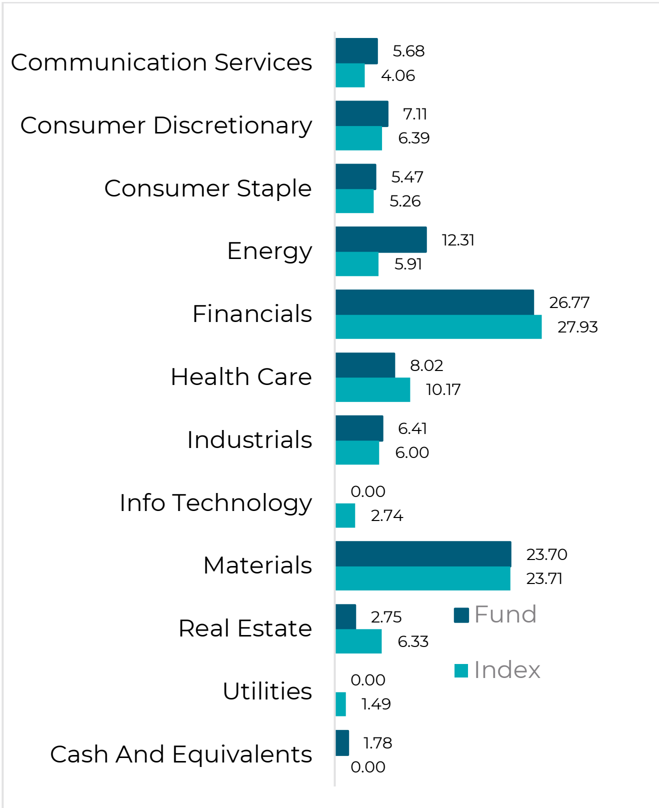
Key detractors from relative performance:

- **29Metals** underperformed the market largely on the back of falling commodity prices, particularly copper and fears of a more prolonged slowdown in China's property sector.
- The underweight holding in **CSL** detracted from performance. Behring's the main blood plasma dependent business unit's outlook was boosted by data released by the Plasma Protein Therapies Association, confirming previous statements by CSL that plasma collections had recovered to pre-pandemic levels.
- The nil holding in **Woolworths** detracted from performance. Woolworths outperformed as investors become increasingly concerned about prospects of a recession and a higher inflation outlook, the market valued the defensive qualities of its supermarket business.
- **Insignia Financial** underperformed as weak equity markets weighed on the sector, resulting in negative mark-to-market revenue revisions. In addition, smaller peers such as Hub 24 gave trading updates showing marginally weaker than expected fund flows for the quarter, citing market volatility dampening demand.
- An overweight allocation to **Westpac** detracted from performance. Westpac underperformed as increasing interest rates and the prospect of a recession, weighed heavily on the banking sector in June.

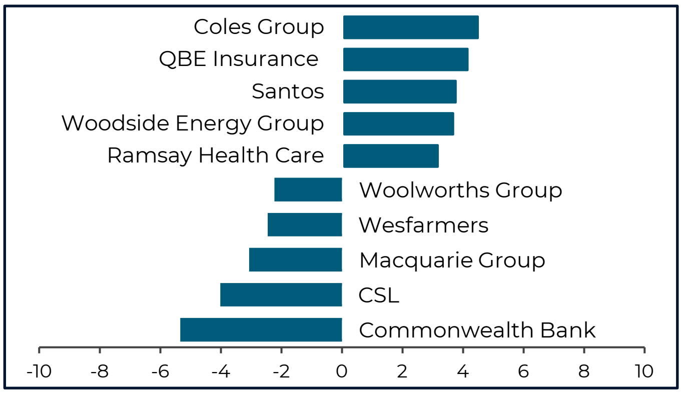
Top 10 Holdings

Security Name	% of Fund
BHP Group	12.15
Woodside Energy Group	6.80
Coles Group	5.77
Westpac Bank	5.47
ANZ Bank	5.41
National Australia Bank	5.31
Telstra	5.19
QBE Insurance	5.12
Santos	4.96
Ramsay Health Care	3.88

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	11	5.43%
Benchmark	12.51	4.86%

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

Market Commentary

The S&P/ASX 200 Accumulation Index returned -8.8% during the month. Australian equities underperformed global equities. In the major developed markets, the US S&P 500 returned -8.3%, Japan's Nikkei 225 returned -3.1%, UK's FTSE 100 returned -5.5% and the DJ Euro Stoxx 50 returned -8.7% (in local currency terms).

Monetary policy settings tightened during the month as the Reserve Bank of Australia (RBA) surprised the market in its June meeting raising the cash rate target by 50 bps, to 0.85%.

Domestic economic data releases in June were mostly weaker, employment being the exception. Employment rose by 13,511 positions in May, taking the number of employed persons in Australia to a new record high. The unemployment rate was unchanged at 3.9%, remaining at its lowest on record for the third straight month. The NAB Survey of Business Conditions fell 2 points to 16 index points in May, remaining well above average. Business confidence fell 4 points in May to 6 index points, remaining just above its long-term average. Retail sales were up 0.9% in May. CoreLogic's national Home Value Index recorded a second consecutive month of value declines, down 0.6% in June.

Apart from consumer staples, all sectors were down in June. The best performing sectors were consumer staples (0.2%), energy (-0.3%) and health care (-3.1%). Communication services (-3.6%), industrials (-4.3%), utilities (-6.8%) and consumer discretionary (-7.3%) also outperformed the broader index. Real estate (-10.3%), information technology (-11.0%) and financials (-11.9%) all underperformed the broader index. Materials (-12.4%) was the worst performing sector.

July tends to be confession season for companies leading into the August reporting. The market is starting to revise earnings down in some sectors but in aggregate we are nearer to the start then the end. Our expectations is that companies will have cautious outlook statements and pre-reporting downgrades are likely to increase given cost pressures and consumer sentiment at low levels.

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

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 585.49 million

Contact us

Call : +61 2 8072 6300
Email : info@yarracm.com

Level 26, 100 Barangaroo Avenue
One International Towers
Barangaroo NSW 2000

is not up to date. No part of this material may, without the Yarra Capital Management Group's prior written consent be copied, photocopied, duplicated, adapted, linked to or used to create derivative works in any form by any means. YIML manages each of the Funds and will receive fees as set out in each PDS. To the extent that any content set out in this document discusses market activity, macroeconomic views, industry or sector trends, such statements should be construed as general advice only. Any references to specific securities are not intended to be a recommendation to buy, sell, or hold such securities. Past performance is not an indication of, and does not guarantee, future performance. Information about the Funds, including the relevant PDSs, should not be construed as an offer to any jurisdiction other than in Australia. With the exception of some Funds that may be offered in New Zealand from time to time (as disclosed in the relevant PDS), we will not accept applications from any person who is not resident in Australia or New Zealand. The Funds are not intended to be sold to any US Persons as defined in Regulation S of the US federal securities laws and have not been registered under the U.S. Securities Act of 1933, as amended.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. Holdings may change by the time you receive this report. Future portfolio holdings may not be profitable. The information should not be deemed representative of future characteristics for the strategy. There can be no assurance that any targets stated in this document can be achieved. Please be advised that any targets shown are subject to change at any time and are current as of the date of this document only. Targets are objectives and should not be construed as providing any assurance or guarantee as to the results that may be realized in the future from investments in any asset or asset class described herein. If any of the assumptions used do not prove to be true, results may vary substantially. These targets are being shown for informational purposes only.