TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
31 OCTOBER 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	4.77	1.51	-13.19	-8.94	-2.91	-4.30	1.72	-1.28	1.69	3.02
Fund distribution return	0.00	0.00	8.66	10.78	6.85	8.46	6.49	5.86	6.93	6.56
Total Fund (net)	4.77	1.51	-4.53	1.84	3.95	4.16	8.22	4.58	8.62	9.58
Benchmark return	6.04	0.67	-5.41	-2.01	4.82	7.18	8.73	4.51	8.69	9.16
Excess Return	-1.27	0.85	0.88	3.85	-0.87	-3.02	-0.51	0.07	-0.08	0.42

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 underperformed the benchmark over the month.

Key contributors to relative performance:

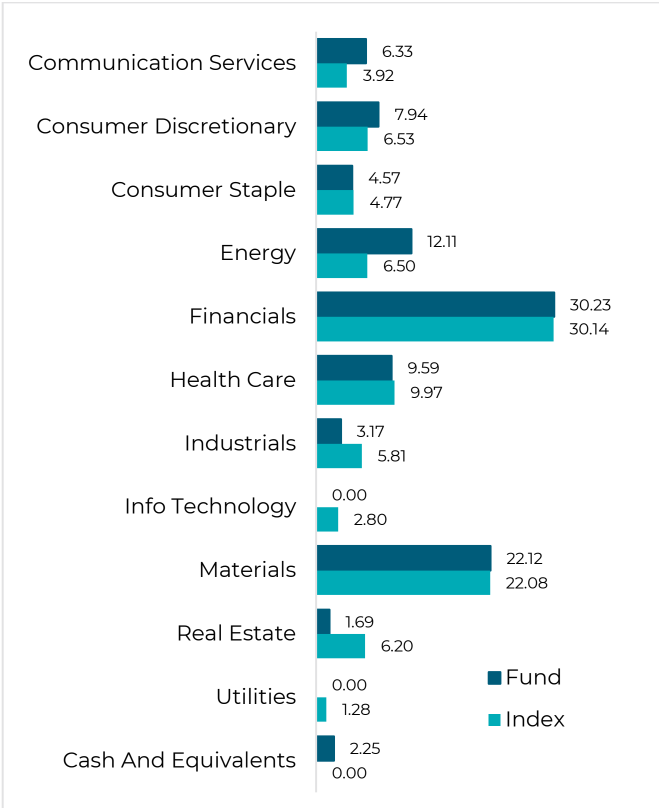
- The nil holding in **Fortescue Metals** contributed to performance. Fortescue Metals was weaker on the back of declining iron ore prices, driven lower by Chinese demand concerns.
- **Woodside Energy** outperformed benefitting from a rebound in oil prices, which has come off recent lows in October. Oil prices strengthened on announced production cuts from OPEC+, though this was later tempered by concerns China's ongoing lockdowns would further impact demand. In addition, Woodside reported solid quarterly results highlighted by strong realised LNG prices.
- **Westpac** along with the rest of the banking sector significantly outperformed the broader market due to the realisation that net interest margin expansion was greater than expected and will lead to earnings upgrades. Banks are currently one of the few sectors that are in an earnings upgrade cycle.
- An underweight position in **CSL** contributed to performance. CSL underperformed on revised guidance that included earnings of its recent acquisition, Vifor, for the first time. The operating performance of Vifor was softer than expected.
- Our nil holding in **Woolworths** contributed to performance. Woolworths underperformed as sales have started to normalise, having benefitted from COVID for the past two years. The FY23 result will benefit less from inflation as volume normalises and costs creep higher, leading to a reduction in earnings expectations.

Key detractors from relative performance:

- Our underweight position in **Commonwealth Bank** detracted from performance. The banking sector outperformed on the back of higher net interest margins.

- **29Metals** underperformed because of a combination of factors including broker rating downgrades following strong share price performance since the July lows and weaker zinc prices, which forms a material part of the company's revenues.
- **Iluka** was weaker, selling off on market concerns around peer outlook statements, which highlighted weakness in European pigment demand due to high energy costs and weakness in Chinese property. Whilst these issues are valid around demand, declining mineral sand supply and Iluka's strong market position should see realised prices remain stable. In addition, Iluka's growing position in rare earths provides a diversification and continues to be underappreciated by the market.
- **Coles** underperformed, as the market has absorbed the lower near-term earnings growth potential of supermarkets. Recent results are pointing to rising costs and less benefit in FY23 from inflation than previously expected. There are also signs the strong trading environment that came about during COVID is beginning to normalise.
- **RIO Tinto** was weaker on the back of declining iron ore prices, driven lower by Chinese demand concerns.

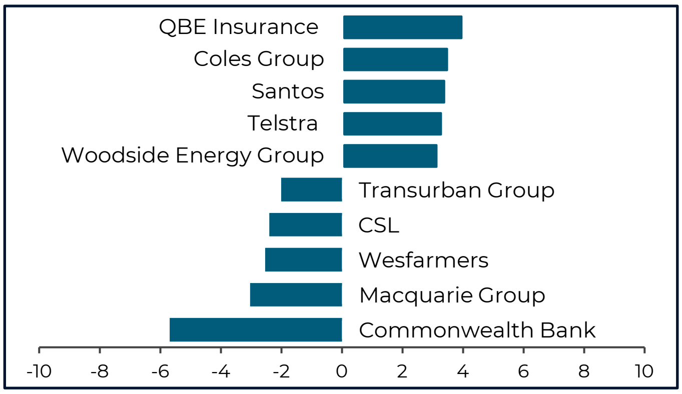
Sector Exposure (%)



Top 10 Holdings

Security Name	% of Fund
BHP Group	10.18
ANZ Bank	6.71
Woodside Energy Group	6.50
Westpac Bank	6.42
Telstra	5.52
National Australia Bank	5.03
QBE Insurance	4.88
Santos	4.67
Coles Group	4.57
CSL	4.25

Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	11.57	5.29%
Benchmark	13.58	4.61%

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

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Market Commentary

The S&P/ASX 200 Accumulation Index rose 6.04 % over the month. Australian equities were mid-pack relative to other global equities in September. Global developed markets rebounded strongly, as investors became optimistic that central bank tightening was close to done. All major markets finished the month up. In local currency terms the DJ Euro Stoxx 50 returned 9.1%, the US S&P 500 returned 8.1%, the UK's FTSE 100 returned 3.0% and Japan's Nikkei 225 returned 6.4%.

Monetary policy settings continued to tighten as the Reserve Bank of Australia (RBA) raised the cash rate target by another 25 bps, to 2.60% in October. While the pace of increases slowed, the RBA also flagged further increases in the months ahead, as part of the process of normalising monetary conditions, albeit subject to future economic data. The board remains committed to ensuring inflation returns to the target range of 2-3%.

The run of strong domestic data releases continued through October. Retail turnover posted the ninth straight month of growth, up 0.6%. Business turnover for August increased in 12 of the 13 major sectors, with large increases in transport and manufacturing. The only sector seeing deterioration was information media & telecommunications. Inflationary pressures remain significant. The annual inflation rate in Australia climbed to 7.3% in Q3 of 2022 from 6.1% in Q2, above market forecasts of 7.0%. This was the highest rate since Q2 1990, boosted by higher prices for new dwelling construction, automotive fuel, and food. The Producer Price Index for the September quarter also showed continued pressure, particularly in building and engineering construction and electricity, gas and water.

The NAB Survey of Business Conditions strengthened further in September, on the back of very high trading conditions and are now above their pre-COVID peak. While Business Confidence eased but remains around the long-run average.

Looking specifically for signs of weakness – housing finance commitments in August continued to fall, employment softened ever so slightly with a net reduction of 8,000 positions and labour cost pressures eased modestly. CoreLogic's National Home Value Index recorded a sixth consecutive month of value declines, down 1.2% in October.

The best performing sectors were financials (12.2%), real estate (9.9%) and energy (9.4%). Consumer discretionary (8.9%), utilities (7.2%) and industrials (6.5%) also outperformed the broader index. Information technology (5.4%), communications services (4.9%), healthcare (0.6%) underperformed the index. Materials (-0.1%) and Consumer staples (-0.2%) were the worst performing sectors.

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 607.12 million

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