

TYNDALL AUSTRALIAN SHARE WHOLESALE FUND.

FUND UPDATE

AS AT
30 SEPTEMBER 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	-5.01%	-1.12%	-17.09%	-13.65%	-4.22%	-4.35%	1.60%	-1.46%	1.56%	2.85%
Fund distribution return	0.00%	0.00%	8.27%	10.22%	6.76%	8.46%	6.49%	5.85%	6.92%	6.57%
Total Fund (net)	-5.01%	-1.12%	-8.82%	-3.43%	2.54%	4.11%	8.09%	4.39%	8.48%	9.42%
Benchmark return	-6.17%	0.39%	-11.56%	-7.69%	2.67%	6.76%	8.41%	4.30%	8.52%	8.96%
Excess Return	1.17%	-1.51%	2.74%	4.26%	-0.13%	-2.66%	-0.32%	0.09%	-0.04%	0.47%

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 **Macquarie Group** contributed to performance. Macquarie has been aggressively sold off as the current environment will provide multiple headwinds to the group. Asset price declines will impact the warehoused assets as well as the company's revenue stream from infrastructure funds. The market-facing businesses will be impacted by lower activity levels.
- **29Metals** contributed to performance as the stock continued to recover despite modestly weaker copper and zinc prices through September after reporting a largely in line financial result late in August, though the payment of modest inaugural dividend did demonstrate the Board's confidence in the company's outlook.
- The nil holding in **Goodman Group** contributed to performance. Goodman Group underperformed the market as investor sentiment weakened due to

the rising interest rate environment which provides headwinds to asset valuations. Goodman's earnings are derived from development and funds management activities, both of which are more leveraged to asset valuations rather than rental performance.

- **Resmed** contributed to performance. Outperforming after competitor Phillips announced yet another product recall this time due to issues with magnets in its masks. Resmed's market share driven growth story was pounced on by investors looking for safety.
- **ANZ Banking Group** contributed to performance. Outperforming as it becomes apparent that the rising interest rate environment will result in material earnings upgrades due to the net interest margin expansion.

Key detractors from relative performance:

- **Ramsay Healthcare** detracted from performance. The share price fell away following the failed takeover by the KKR-led consortium. In addition,

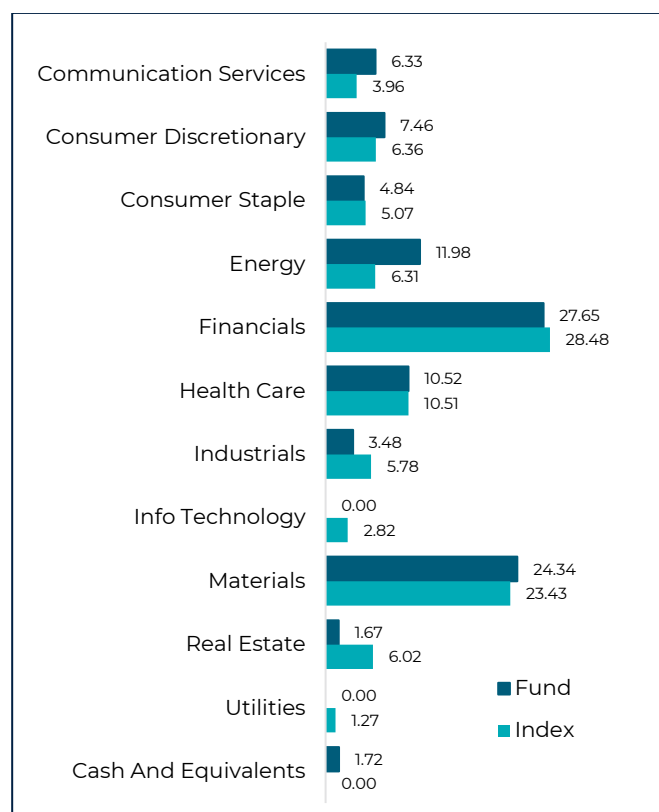
the poor operating environment for hospital operators, with COVID-related disruptions are depressing earnings, we do not expect such conditions to persist.

- **Iluka** detracted from performance, as the stock pulled back after a strong performance through August. The weakness was likely due to the persistently weak Chinese property market and European recession fears.
- **Orica** detracted from performance, there was no material stock specific news. Underperformance is most likely explained by uncertainty around global growth and lingering disappointment regarding the recent acquisition and equity raising.
- The nil holding in **Pilbara Minerals** detracted from performance. The stock continued to surge on further increases to traded spodumene prices.
- **Santos** detracted from performance, as the stock declined on the back of weaker oil as the market priced in recession risk.

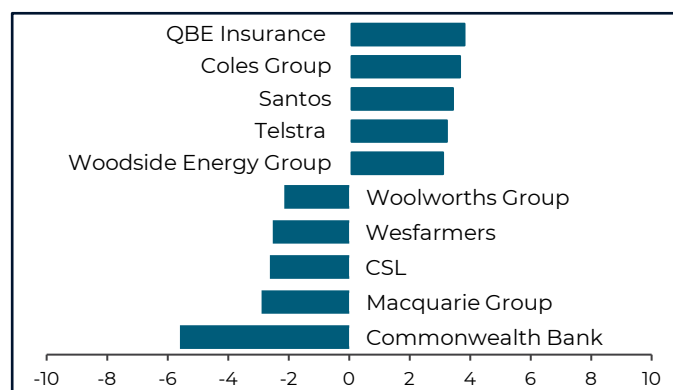
Top 10 Holdings

Security Name	% of Fund
BHP Group	11.28
Woodside Energy Group	6.25
ANZ Bank	6.05
Westpac Bank	5.75
Telstra	5.56
Coles Group	4.84
QBE Insurance	4.74
National Australia Bank	4.70
Santos	4.69
CSL	4.54

Sector Exposure (%)



Top 5 Over/Underweight Positions (%)



Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	11.05	5.50%
Benchmark	12.94	5.14%

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

Market Commentary

The S&P/ASX 200 Accumulation Index was down 6.2% during the month. Australian equities outperformed global equities in September, with the size of our Materials sector a differentiating factor. Global developed markets continued to sell off through September as central banks continued to tighten rates. All major markets finished the month down. In local currency terms the DJ Euro Stoxx 50 returned -5.6%, the US S&P 500 returned -9.2%, the UK's FTSE 100 returned -5.2% and Japan's Nikkei 225 returned -6.9%.

Monetary policy settings continued to tighten as the Reserve Bank of Australia (RBA) raised the cash rate target by another 50 bps, to 2.35% in September. 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%.

Domestic economic data releases were mostly positive through September. The Australian economy expanded by 0.9% in Q2, slightly below market forecasts of 1.0%. August employment remained robust, with total employment increasing by 33,500 positions, reversing the unexpected decline seen in July. While the unemployment rate ticked up 0.1ppts to 3.5%, this was a function of an increase in the participation rate. Job vacancies remain extraordinarily elevated with 474k unfilled roles. Retail sales remained resilient, increasing by 0.6% in August. This is the eighth month of consecutive increases. Within the subcategories, household goods returned to growth while clothing, footwear & personal accessories and other retailing both reported declines. The NAB Survey of Business Conditions increased further. Notably the survey suggested some slowing of growth in input costs. Capacity utilisation remains high across all sectors, supporting continued strength in employment.

Negative data included the Q2 headline CPI, which increased by 1.8%. The year-on-year rate was 6.1%, the equal highest annual rate since 1990. Importantly, the feared wage-price spiral is nowhere to be seen, with growth in wage rates lagging inflation quite materially. The ABS Wage Price Index reported growth of only 2.6% over the year to June.

All sectors of the market declined during the month. The best performing sectors were materials (-2.3%), energy (-3.8%) and health care (-4.4%). Consumer staples (-5.4%) and communication services (-6.1%) outperformed the broader index. Financials (-6.5%), consumer discretionary (-9.1%), industrials (-9.8%) and information technology (-10.6%) all underperformed the broader index. Real estate (-13.8%) and utilities (-13.6%) 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

Buy/Sell Spread

0.20%/0.20%

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 577.70 million

Minimum Investment

AUD 10,000 or platform nominated minimums



Contact us

Call : +61 2 8072 6300

Email : info@yarracm.com

Level 11, Macquarie House
167 Macquarie Street
Sydney NSW 2000

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