

# Yarra Global Small Companies Fund

## Gross returns as at 31 October 2023

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Small Companies Fund	-4.30	-6.24	6.62	12.21	8.25	11.78	8.73
MSCI World Small Cap Index in A\$ <sup>^</sup>	-4.32	-8.95	0.02	7.67	6.32	9.63	7.09
Excess Return <sup>‡</sup>	0.02	2.71	6.59	4.54	1.93	2.15	1.64

**Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account.** The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are gross of all fees, meaning they do not reflect the deduction of any investment management fees which would reduce returns and assume reinvestment of all distributions. Investment in the fund is not available on a fee free basis and this should be factored into any analysis of past performance.

## Net returns as at 31 October 2023

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Small Companies Fund	-4.40	-6.53	5.30	10.83	6.92	10.35	7.26
MSCI World Small Cap Index in A\$ <sup>^</sup>	-4.32	-8.95	0.02	7.67	6.32	9.63	7.09
Excess Return <sup>‡</sup>	-0.08	2.42	5.28	3.16	0.59	0.72	0.17

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\* Inception date of Yarra Global Small Companies Fund: November 1999.

<sup>^</sup> Effective 8 February 2016, the benchmark for the Yarra Global Small Companies Fund is the MSCI World Small Cap Index net of dividend withholding taxes, measured in A\$.

<sup>‡</sup> Excess return: The excess return figures shown represent the difference between the Fund's return and the benchmark.

### Market review

The MSCI World Index declined significantly during this period.

The ongoing conflict in Ukraine and a new conflict in the Middle East weighed on global equities. However, the resilience of the US economy caused US equities to outperform global equities despite declining over the month.

Strong macroeconomic data released in October showed the strength of the US economy. However, this signalled that the Federal Reserve (Fed) may keep the interest rates higher for longer, weighing on the US equities.

In Europe, high interest rates negatively impacted growth, as revealed by the Q3 GDP data released in October. This caused European equities to fall as the investors moved towards safe-haven assets.

Japanese Government Bond yields rose along with the yields in the US, causing the Bank of Japan to adjust their yield curve control policy. This, along with high inflation rates caused Japanese equities to decline over the month.

### Portfolio review

The Global Small Companies Fund returned -4.40% during the period, underperforming its benchmark by 8 bps on a net basis.

Among investment themes\*, signals within the Themes and Trends pillar contributed most positively to relative returns followed by the suite of signals within Sentiment Analysis, High-Quality Business Models, and Fundamental Mispricings.

Within Themes and Trends, economic linkages factors performed well. These factors use machine learning and natural language processing techniques to identify underlying connections between stocks that the broader market may not fully recognize. Meanwhile, signals gauging hedge fund short sentiment within the Sentiment Analysis pillar helped relative performance. Additionally, within High-Quality Business Models, factors evaluating management quality added to the relative returns of the portfolio. Finally, relative valuation related signals helped the performance of the Fundamental Mispricings pillar.

Among sectors, holdings within the Industrials sector contributed the most to relative performance, with an overall overweight position within the Marine Transportation industry contributing particularly strongly. On the downside, holdings within the Communication Services sector detracted the most from excess returns, where an underweight position within the Interactive Media & Services industry hurt relative performance.

At an individual stock level, an overweight position in Antero Resources Corp, held primarily due to views around Sentiment

\* Refer Yarra Global Small Companies Fund PDS for further information regarding key investment themes.

Analysis related factors, performed well. Conversely, an overweight position in Sarepta Therapeutics Inc, held primarily due to views on Sentiment Analysis related factors did not do well.

Among countries, the position in Norway contributed the most to relative performance. Meanwhile, the positioning in US detracted during the period.

## Country allocation

	Portfolio %	Benchmark %	Active %
United States	60.97	59.77	1.20
Japan	14.02	12.43	1.59
Norway	3.94	0.88	3.06
United Kingdom	2.78	5.36	-2.58
Canada	2.61	3.92	-1.31
Sweden	2.36	1.90	0.46
Netherlands	1.75	0.58	1.17
Italy	1.74	1.35	0.39
Denmark	1.62	0.73	0.89
Belgium	1.32	0.51	0.81

## Market cap allocation

A\$ million	Portfolio %	Benchmark %
0 - 400	0.07	0.23
400 - 750	2.63	2.29
750 - 1,500	18.96	9.45
1,500 - 7,500	57.08	62.02
7,500 - 15,000	20.69	23.47
15,000 - 50,000	0.57	2.54
>50,000	0.00	0.00

## Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	2.75	3.03	-0.28
Consumer Discretionary	15.09	12.96	2.13
Consumer Staples	3.32	5.19	-1.87
Energy	7.52	5.95	1.57
Financials	14.97	14.74	0.23
Health Care	10.20	9.62	0.58
Industrials	22.04	19.81	2.23
Information Technology	8.50	10.40	-1.90
Materials	6.63	7.46	-0.83
Real Estate	8.28	8.16	0.12
Utilities	0.72	2.69	-1.97

## Top 10 holdings

	Portfolio %	Benchmark %	Active %
Antero Resources Corp	1.07	0.14	0.94
Summit Materials Inc	1.04	0.06	0.97
Trelleborg AB	1.00	0.09	0.91
Autoliv Inc	0.99	0.12	0.87
Duolingo Inc	0.95	0.07	0.88
Encore Wire Corp	0.95	0.05	0.89
Exlservice Holdings Inc	0.94	0.07	0.87
Fugro NV	0.93	0.03	0.90
Federated Hermes Inc	0.93	0.04	0.89
Avnet Inc	0.93	0.07	0.86

Portfolio holdings may not be representative of current or future investments. The securities discussed may not represent all of the portfolio's holdings and may represent only a small percentage of the strategy's portfolio holdings. Future portfolio holdings may not be profitable.

## Income and growth

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
Growth return	4.16	9.75	6.07	9.61
Distribution return	1.14	1.08	0.84	0.74

The Growth Return is measured by the movement in the Fund's unit price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders by way of income distribution in a 12-month period. It does not include capital distributions.

## Features

Investment objective	To achieve medium-to-long term capital growth through exposure to smaller companies globally. In doing so, the aim is to outperform the MSCI World Small Cap Index net of dividend withholding taxes, measured in A\$ over rolling three year periods.	
Recommended investment time frame	5 - 7 + years	
Fund inception	November 1999	
Fund size	A\$122.28 mn as at 31 October 2023	
APIR code	JBW0103AU	
Estimated management cost	1.25 p.a.	
Buy/sell spread	+/- 0.10	
Number of holdings	568 as at 31 October 2023	
Platform availability	AMG Freedom of Choice Asgard BT Panorama Grow Wrap Hub24	I00F Pursuit Macquarie Wrap Mason Stevens Oasis uXchange

## Investment performance comparison of \$50,000

After fees, since inception of the Yarra Global Small Companies Fund, November 1999 to October 2023.



For illustrative purposes only. Past performance does not guarantee future results, which may vary. The total net fund returns shown are prepared on an exit to exit basis (i.e. they include all ongoing fees and expenses and assume reinvestment of all distributions). They do not take personal taxation into account. The comparison with the benchmark is for comparative purposes only. Index returns do not allow for transactional, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index.

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## Applications and contacts

Investment into the Yarra Global Small Companies Fund can be made by Australian resident investors only.

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## Disclaimers

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