

Yarra Income Plus 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 Income Plus Fund	-0.86	-1.42	3.99	2.51	2.94	3.92	5.96
Bloomberg AusBond Bank Bill Index	0.33	1.04	3.66	1.47	1.31	1.74	3.83
Excess return [‡]	-1.20	-2.46	0.33	1.04	1.63	2.17	2.13

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 Income Plus Fund	-0.92	-1.59	3.29	1.82	2.25	3.21	5.21
Growth return [†]	-0.92	-2.33	0.00	-0.91	-0.29	-0.13	0.48
Distribution return [‡]	0.00	0.74	3.29	2.73	2.54	3.34	4.72
Bloomberg AusBond Bank Bill Index	0.33	1.04	3.66	1.47	1.31	1.74	3.83
Excess return [‡]	-1.26	-2.63	-0.37	0.35	0.94	1.47	1.37

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* Inception date of Yarra Income Plus Fund: May 1998.

† The Growth Return is measured by the movement in the Fund's unit price, 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 distribution amounts deemed as capital distributions.

‡ Excess Return: The excess return figures shown represent the difference between the Fund's return and the benchmark return.

Portfolio review

The Yarra Income Plus Fund returned -0.92% (net basis) over October, underperforming the Bloomberg AusBond Bank Bill Index by 126 bps.

Diversified Credit and Hybrid sleeves contributed meaningfully to performance in the month, with strong carry in both sleeves underpinning positive performance. The Fixed Income sleeve was weaker over the period due to the market correctly moving in anticipation of the RBA moving the cash rate to 4.35%. Performance in the Real Assets sleeve was negative and was the only sleeve detracting from performance. Shifting sentiment drove a selloff in the REIT sector.

During the month there were no changes to the weighting of the portfolio. However, we actively monitor each sleeve looking for opportunities to secure the best risk adjusted returns.

Market review

Global markets were subjected to broad sell offs in October. Increased fear of outright war involving multiple nations in Gaza, coupled with weaker data globally, perpetuated further

selling off. In the US, 10-year yields moved above 5% and with hawkish commentary from the FMOC, RBA and BoE continuing to lead markets to price in multiple further rate hikes across the major economies. Bearish sentiment globally around economic conditions and Middle Eastern tensions has seen oil prices remain elevated. Inflation continued to remain sticky in the US, defying market expectations.

Domestically, the RBA remained on hold during October. However, the market correctly backed an RBA rate hike to 4.35% at the start of November. This reflects resilience in Australia's economy compared to the rest of the world, as evidenced through month-on-month retail sales beating expectations by 0.6%. CPI figures from the third quarter of the calendar year were released during the period and printed at 5.4% (y/y). This was in line with expectations and confirmed a downward trend in inflation (y/y). As with most major economies, inflation remains underpinned by fuel costs with sustained higher WTI Crude prices and elevated services inflation. Also worth noting is that housing pressures are still increasing with rents rising 7.6% on an annual basis.

Due to the less favourable macro-economic outlook, equity

markets traded lower over the period with a broader sell off occurring across most major exchanges. Corporate credit and hybrid spreads generally traded tighter over the month. Tier 2 securities continued to be a key driver of positive performance, whereas ASX listed Tier 1s detracted from returns.

Asset allocation

	Target %*	Neutral position %§	Strategy
A-REITs, Infrastructure & Utilities	16.5	15.0	Overweight
Hybrid and FRNs	13.5	15.0	Underweight
Diversified Credit†	16.0	10.0	Overweight
Fixed interest	22.5	20.0	Overweight
Cash	31.5	40.0	Underweight

Source: Yarra Capital Management. 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.

§ Neutral position is calculated by Yarra Capital Management and is believed to be the optimal asset allocation for this portfolio over the long term.

* Projected estimation as at the date of this commentary.

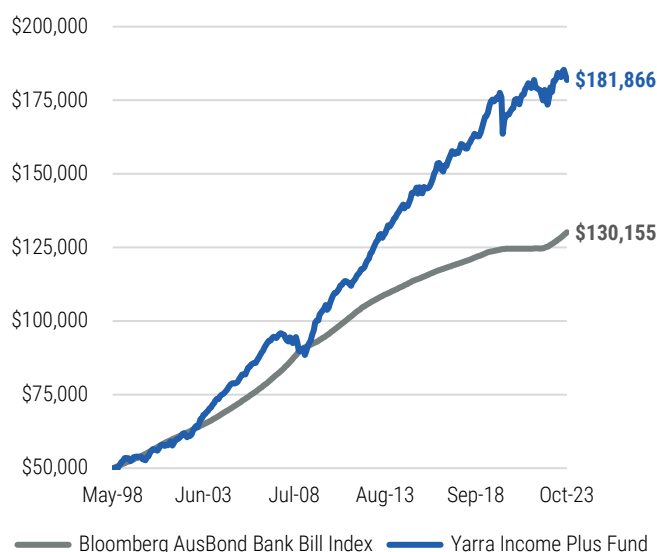
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

Features

Investment objective	To provide regular income and to achieve medium term capital growth through exposure to cash, money market products, domestic fixed interest and a range of high yielding investments, including domestic hybrid investments, property, infrastructure and utilities securities and international fixed interest assets. In doing so, the aim is to outperform the Bloomberg AusBond Bank Bill Index over rolling 3-year periods.	
Benchmark	Bloomberg AusBond Bank Bill Index	
Fund inception	May 1998	
Fund size	A\$77.6 mn as at 31 October 2023	
APIR code	JBW0016AU	
Estimated management cost	0.68% p.a.	
Buy/sell spread	+/- 0.10%	
Distribution frequency	Quarterly	
Platform availability	Asgard BT Wrap BT Panorama Colonial FirstWrap Hub24 Macquarie Wrap Consolidator MLC Wrap	Netwealth Oasis OnePath PortfolioOne PowerWrap SmartWrap Wealthtrac

Investment performance comparison of \$50,000

After fees, since inception of the Yarra Income Plus Fund, May 1998 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 Bloomberg AusBond Bank Bill Index is for comparative purposes only.

Applications and contacts

Investment into the Yarra Income Plus Fund can be made by Australian resident investors only.

Website www.yarracm.com

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