

Yarra Income Plus Fund

Gross returns as at 30 November 2024

	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	1.33	9.85	4.63	3.56	4.54	6.17
Bloomberg AusBond Bank Bill Index	0.36	1.10	4.46	3.06	1.92	1.93	3.86
Excess return [‡]	0.56	0.23	5.39	1.57	1.64	2.61	2.31

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 30 November 2024

	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	0.87	1.16	9.11	3.93	2.86	3.84	5.42
Growth return [†]	0.87	0.17	4.89	0.76	0.01	0.48	0.73
Distribution return [‡]	0.00	0.99	4.21	3.17	2.85	3.36	4.69
Bloomberg AusBond Bank Bill Index	0.36	1.10	4.46	3.06	1.92	1.93	3.86
Excess return [‡]	0.51	0.06	4.65	0.86	0.94	1.90	1.56

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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 0.87% (net basis) over the month, outperforming its benchmark by 51 bps. On a 12-month view the Fund returned 9.11% (net basis), outperforming the Bloomberg AusBond Bank Bill Index by 465 bps.

During the month all sleeves contributed to the positive return of the Fund with the Fixed Income sleeve with its longer duration assets being the most significant contributor. The REIT and Infrastructure sleeves benefited from the broad-based continuation of an extended rally in equities. Our exposure to the cash sleeve is allowing us to continue to achieve attractive yields while we wait for better opportunities in other sleeves.

Market review

November marked a significant month for global markets as the outcome of the US election saw former President Trump re-elected. The immediate reaction of the market given the potential inflationary impact of Trump's proposed policies has

been to reduce the number of interest rate cuts priced in for 2025. Despite this, the Federal Open Market Committee (FOMC) did deliver a further 25 bps cut at the beginning of November as the Consumer Price Index (CPI) has remained steady and in line with forecasts. The US 10-Year Yield rallied 11 bps to 4.17%. In other central bank meetings, we saw the Reserve Bank of New Zealand cut rates again by 50 bps and the Bank of England cut rates by 25 bps.

Domestically, the Reserve Bank of Australia (RBA) kept rates on hold at 4.35%. While trimmed mean CPI continues to move towards the band and headline inflation has moved into the 2-3% target band, Governor Bullock and the board are remaining conservative in their forecasts. Employment data in Australia remains strong with the unemployment rate sitting at 4.1% (y/y). The Australian 3-Year yield rallied 11 bps to 3.91% and the 10-Year yield rallied 16 bps to 4.34% with the curve flattening slightly.

During the month deal flow remained strong as issuers accessed a red-hot market. Robust demand has continued to see issuers remain confident that deals will launch successfully. Bookbuilds continue to be well oversubscribed

with pricing tightening during the process. Corporate senior paper along with both foreign and domestic Tier 2 debt dominated the primary issuance. The fact that Australia remains a stable market for investment grade credit attracts offshore investors causing further spread tightening as deals trade well on secondary markets. The Australian iTraxx remained flat at 66 bps.

The S&P/ASX 200 A-REIT index rose in November, returning 2.48% for the period while the broader S&P/ASX 200 returned 3.79% for the month. The S&P/ASX 300 Custom Infrastructure and Utilities Index returned 4.01%.

Higher rates have fostered an environment where we are seeing very attractive running yield across the sleeves at our disposal, with income continuing to provide significant downside protection should we see underperformance in other parts of the market.

Asset allocation

	Target %*	Neutral position %§	Strategy
A-REITs, Infrastructure & Utilities	10.0	15.0	Underweight
Hybrid and FRNs	9.5	15.0	Underweight
Diversified Credit†	15.5	10.0	Overweight
Fixed interest	26.0	20.0	Overweight
Cash	39.0	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.

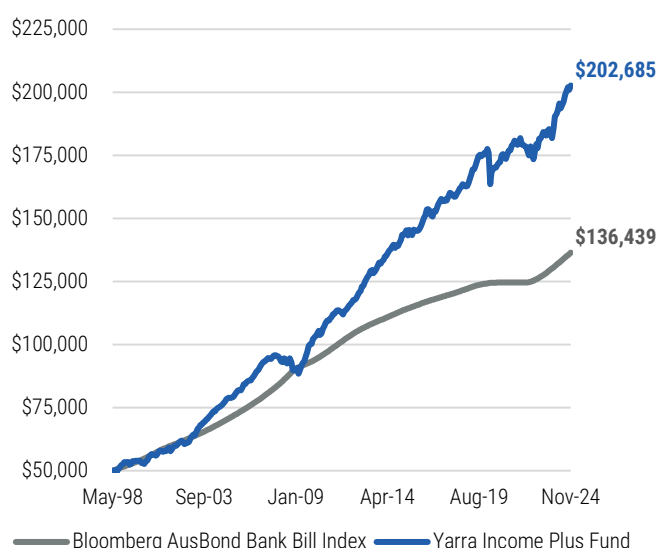
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

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\$ 68.1 mn as at 30 November 2024	
APIR code	JBW0016AU	
Estimated management cost	0.68% p.a.	
Buy/sell spread	+/- 0.10%	
Distribution frequency	Quarterly	
Platform availability	Hub24 IOOF Wrap Macquarie Wrap Mason Stevens	MLC Navigator Netwealth Praemium Xplore Wealth

Investment performance comparison of \$50,000

After fees, since inception of the Yarra Income Plus Fund, May 1998 to November 2024.



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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