

Yarra Income Plus Fund

Gross returns as at 30 April 2025

	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	1.17	1.52	7.68	5.80	4.93	4.39	6.17
Bloomberg AusBond Bank Bill Index	0.35	1.04	4.46	3.68	2.21	2.01	3.87
Excess return [‡]	0.82	0.48	3.22	2.12	2.72	2.38	2.30

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 April 2025

	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	1.12	1.35	6.95	5.08	4.22	3.68	5.42
Growth return [†]	1.12	0.12	2.88	1.42	1.21	0.29	0.73
Distribution return [‡]	0.00	1.24	4.07	3.67	3.01	3.39	4.69
Bloomberg AusBond Bank Bill Index	0.35	1.04	4.46	3.68	2.21	2.01	3.87
Excess return [‡]	0.76	0.31	2.49	1.40	2.01	1.68	1.55

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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 1.12% (net basis) over the month, outperforming its benchmark by 76 bps. On a 12-month view the Fund returned 6.95% (net basis), outperforming the Bloomberg AusBond Bank Bill Index by 249 bps.

The positive return during the month was primarily driven by the Real Assets sleeve. Despite steep falls at the beginning of the month, all sleeves contributed well to returns, elevated by high running yields and spread compression.

No changes were made to the Tactical Allocation of the portfolio.

Market review

Market volatility spiked in April following the US "Liberation Day" tariff announcements, with the scale and breadth of the policies surprising markets. Equities sold off, fixed income spreads widened, and the VIX measure of implied market volatility increased to 60, the highest level since the COVID

pandemic. Following a sharp rise in the US 10-year yield, peaking at 4.5%, US tariffs were paused for 90 days and a softer approach was announced. Markets responded positively, recovering much of their losses over subsequent weeks, with the US 10-year yield closing the month at 4.2%.

In Australia, the Reserve Bank of Australia (RBA) kept policy rates on hold at its April meeting. Although the Board acknowledged inflation is cooling, it continued to re-iterate the central bank's resolve in ensuring inflation is moving sustainably towards the mid-point of the target band. Domestic Q1 CPI showed a slight uptick in headline inflation, however trimmed mean inflation fell within the 2-3% target band and is in line with the RBA's forecasts in February. Over the month, 3-year government bond yields fell 38bps to 3.32%, and 10-year bond yields fell 22 bps to 4.16%. The yield curve steepened significantly over the month, from 64 bps to 84 bps.

Across primary issuance, all previously announced transactions were either halted or delayed. Corporate credit spreads widened significantly in the secondary market, particularly in the high-yield segment. Additionally, iTraxx jumped to approximately 108 bps – an increase of 30 bps over

the week – reflecting the heightened uncertainty. A possible market revival was hinted at, with Sydney Airport managing to print a \$600 million note during the month. This was short lived, however, with no new subsequent corporate issuance.

The S&P/ASX 200 A-REIT index rose in April, returning 6.35% for the period while the broader S&P/ASX 200 returned 3.62%. The S&P/ASX 300 Custom Infrastructure and Utilities Index returned 3.26%.

Higher rates have fostered an environment where we are seeing very attractive running yields across the sleeves at our disposal. Income continues to provide significant downside protection in the event that we see underperformance in other parts of the market.

Asset allocation

	Target %*	Neutral position %§	Strategy
A-REITs, Infrastructure & Utilities	9.5%	15.0%	Underweight
Hybrid and FRNs	9.5%	15.0%	Underweight
Diversified Credit†	13.0%	10.0%	Overweight
Fixed interest	26.0%	20.0%	Overweight
Cash	42.0%	40.0%	Overweight

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.

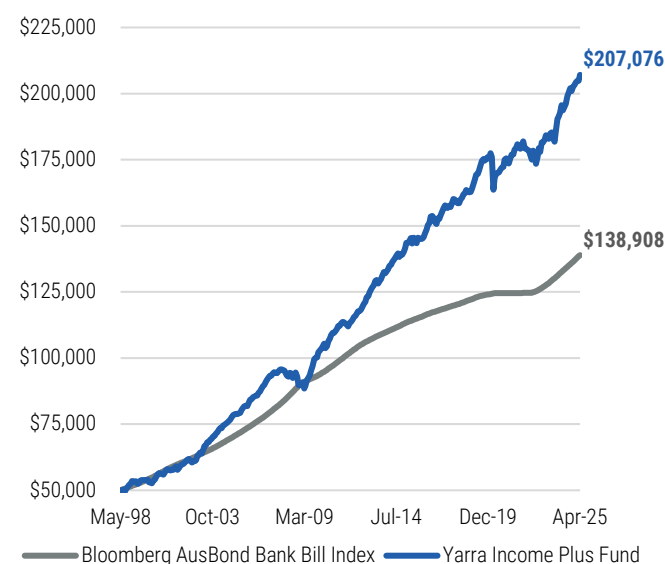
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

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\$65.7 mn as at 30 April 2025	
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 April 2025.



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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