

Yarra Income Plus Fund

Gross returns as at 31 May 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	0.72	1.97	7.62	6.34	4.92	4.37	6.18
Bloomberg AusBond Bank Bill Index	0.34	1.05	4.42	3.79	2.28	2.02	3.87
Excess return [‡]	0.37	0.92	3.20	2.55	2.64	2.35	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 31 May 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	0.66	1.79	6.89	5.62	4.21	3.67	5.43
Growth return [†]	0.66	0.55	2.83	1.93	1.21	0.28	0.75
Distribution return [‡]	0.00	1.24	4.07	3.68	3.01	3.39	4.67
Bloomberg AusBond Bank Bill Index	0.34	1.05	4.42	3.79	2.28	2.02	3.87
Excess return [‡]	0.32	0.75	2.47	1.83	1.93	1.65	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 0.66% (net basis) over the month, outperforming its benchmark by 32 bps. On a 12-month view the Fund returned 6.89% (net basis), outperforming the Bloomberg AusBond Bank Bill Index by 247 bps.

Positive fund performance was driven by strong performance from the REIT and Infrastructure sleeve, alongside our allocation to Cash. The Diversified Credit sleeve and Hybrids sleeve contributed positively as spreads continued to compress post the liberation day sell off. The Fixed Income sleeve also contributed to performance during the month with income providing downside protection to the slight sell off in rates.

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

Market review

Global markets continued to see elevated levels of volatility as policy uncertainty plagued the United States and the outlook for global growth deteriorated. President Trump's tariffs remained a primary focus for markets with the latest round of tariffs targeting steel which saw a doubling of tariffs to 50%. Several developed economies made decisions regarding cash rates during the month. The Bank of England and Reserve Bank of New Zealand continued to cut rates as both central banks face weakening domestic economic conditions. The Bank of Japan kept rates on hold during the month. In the US, the Federal Open Market Committee (FOMC) continued its cautious approach to monetary policy deciding to keep rates on hold for the month, citing elevated inflation expectations, policy uncertainty and risks of rising unemployment. The US 10-year yield moved higher to 4.41%.

Domestically, the Reserve Bank of Australia (RBA) cut interest rates by 25 bps to 3.85%. Governor Michelle Bullock highlighted that household consumption had not picked up as quickly as forecasted by the RBA. A backdrop of weaker retail

sales, moderating inflation and further downside risks led the RBA to consider a 50 bps cut during the meeting. Based on the Statement of Monetary Policy released by the RBA the central bank's current estimated neutral rate is 2.7%. During the month we saw the 3-year yield rise 4 bps to 3.34% and the 10-year yield rise 9 bps to 4.25% with the curve steepening.

May saw a more normalised month of trading after the volatility seen in April. Spreads tightened across the board. In contrast to April where issuance came to a standstill, the month of May saw several new deals come to market, all of which were well subscribed. While the Australian economy has continued to show areas of weakness, corporate balance sheets continue to remain robust and should benefit from falling interest rates. The Australian iTraxx moved tighter by 16 bps and closed the month at 76 bps.

The S&P/ASX 200 A-REIT index rose in May, returning 5.02% for the period while the broader S&P/ASX 200 returned 4.20% for the month. The S&P/ASX 300 Custom Infrastructure and Utilities Index returned 0.91%.

Despite rate cuts, the Cash sleeve is still achieving a strong running yield which makes it an attractive option while we wait for better opportunities to present.

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.

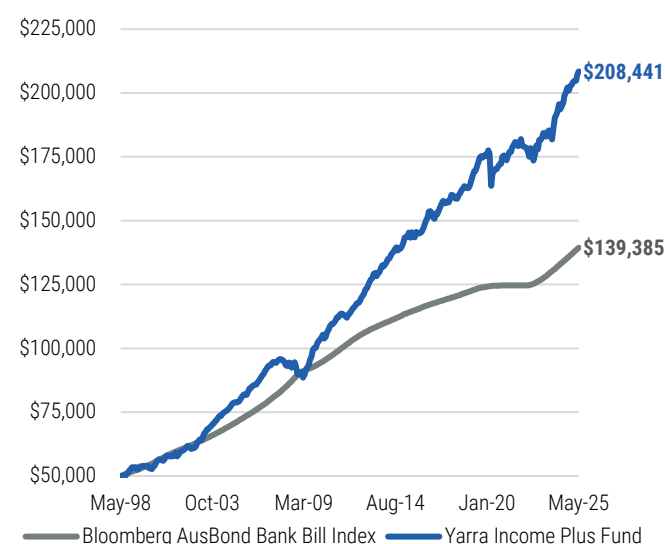
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

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\$ 65.2 mn as at 31 May 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 May 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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