

Yarra Income Plus Fund

Gross returns as at 31 August 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	0.98	2.25	6.91	7.01	5.15	4.67	6.21
Bloomberg AusBond Bank Bill Index	0.32	0.94	4.25	4.00	2.47	2.06	3.87
Excess return [‡]	0.66	1.30	2.65	3.01	2.68	2.61	2.34

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 August 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	0.93	2.07	6.19	6.29	4.44	3.97	5.45
Growth return [†]	0.93	0.83	2.05	2.59	1.27	0.58	0.78
Distribution return [‡]	0.00	1.24	4.13	3.70	3.16	3.39	4.68
Bloomberg AusBond Bank Bill Index	0.32	0.94	4.25	4.00	2.47	2.06	3.87
Excess return [‡]	0.61	1.13	1.93	2.29	1.97	1.90	1.59

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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 0.93% (net basis) over the month, outperforming its benchmark by 61 bps. On a 12-month view the Fund returned 6.19% (net basis), outperforming the Bloomberg AusBond Bank Bill Index by 193 bps.

Positive fund performance was primarily driven through strong performance from the REITs and Infrastructure sleeves which benefitted from a rising equity market. Our allocation to Cash also continues to yield strong returns as the cash rate remains elevated. The Diversified Credit, Hybrids and Fixed Income sleeves all contributed with strong income returns. The Hybrid and Diversified Credit sleeves also benefitted from further tightening of credit spreads during the month.

Early in the month we readjusted our allocations with a slight reduction in our exposure to REITs/Infrastructure alongside reducing our cash position in favour of Fixed Income. We maintained our exposure to the Hybrid and Diversified Credit sleeves. We increased our allocation to Fixed income as we felt bonds were oversold post the July RBA meeting alongside

our expectation that long duration assets will perform well over the coming months.

Market review

Global markets continued to see heightened volatility as uncertainty remains around President Trump's tariffs. The Trump administration continues to place pressure on the Federal Reserve Chairman Jerome Powell and the board to lower rates from their current 4.25% level. However, with persistent upside risk to inflation and an unemployment rate at 4.2% (y/y), the Federal Open Market Committee (FOMC) continues to display a level of caution with regards to reducing interest rates. During the month, the US 10-year yield lowered by 15 bps. Elsewhere, we saw the Reserve Bank of New Zealand (RBNZ) cut interest rates further in response to the continued weakening of economic conditions. We also saw the Bank of England (BoE) further lower their cash rate to 4%.

Domestically the Reserve Bank of Australia (RBA) cut interest rates to 3.6%. This was the result of headline CPI remaining in the band for the 12th consecutive month with the latest quarterly read coming in at 2.1%. Additionally, we note that

trimmed mean inflation has remained in the 2-3% band for the past 8 months. As a result of some weakening in the labour market, the unemployment rate rose to 4.3% in late July, this acted as the catalyst for the RBA to cut rates. The curve steepened slightly by 3 bps during the month with the Australian 3-year bond yield moving to 3.4% and the yield on the 10-year bond selling off to 4.27%.

Corporate credit spreads continue to be well supported, with credit curves flattening on the back of better long end buying. Credit spreads also tightened following positive August reporting results, with most corporates providing evidence of stronger or stable balance sheets. In terms of primary issuance, the month saw mammoth book sizes, multiple inaugural issuances from offshore, and the first 20-year deal in the AUD public market (ANZ Tier 2 20yr bullet, followed by unprecedented interest in EDF 20-year deal). The Australian iTraxx tightened 1 bp over the month to 67 bps.

The S&P/ASX 200 A-REIT Index moved higher in August, returning +4.47% for the month while the broader S&P/ASX 200 returned +3.10%. The S&P/ASX 300 Custom Infrastructure and Utilities Index returned +4.13%.

With the RBA continuing to cut the Cash Rate the sleeve is providing slightly less attractive yields. We are starting to see better opportunities to deploy capital to other sleeves.

Asset allocation

	Target %*	Neutral position %§	Strategy
A-REITs, Infrastructure & Utilities	9.0%	15.0%	Underweight
Hybrid and FRNs	9.5%	15.0%	Underweight
Diversified Credit†	13.0%	10.0%	Overweight
Fixed interest	33.5%	20.0%	Overweight
Cash	35.0%	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.

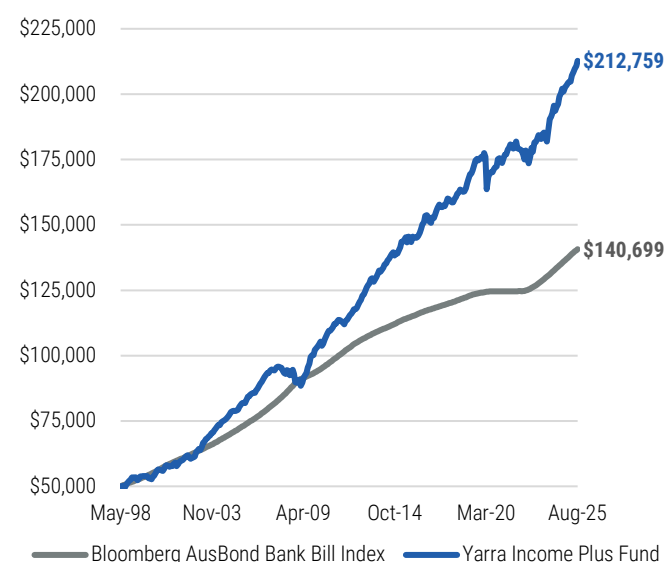
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

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\$62.3 mn as at 31 August 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 August 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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