

Yarra Australian Smaller Companies Fund

Gross returns as at 30 September 2025

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	Since inception* % p.a.
Yarra Australian Smaller Companies Fund	0.76	11.02	19.31	15.59	11.77	11.82
S&P/ASX Small Ordinaries Accumulation Index	3.44	15.31	21.50	15.52	9.26	8.49
Excess return (before fees)†	-2.69	-4.29	-2.20	0.07	2.51	3.32

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 September 2025

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	Since inception* % p.a.
Yarra Australian Smaller Companies Fund	0.69	10.78	18.30	14.62	10.83	10.87
S&P/ASX Small Ordinaries Accumulation Index	3.44	15.31	21.50	15.52	9.26	8.49
Excess return (after fees)†	-2.76	-4.53	-3.21	-0.90	1.57	2.38

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 prepared on an exit to exit basis – they include all ongoing fees and expenses and assume reinvestment of all distributions.

* Inception date Yarra Australian Smaller Companies Fund: August 2020.

† Excess return: The difference between the portfolio's return and the benchmark return.

Market review

The Australian small caps market delivered strong gains during the third quarter of 2025.

The S&P/ASX Small Ordinaries Index returned +15.3% for the quarter, taking its 12-month return to +21.5%. The broader S&P/ASX 300 Accumulation Index returned +5.0% whilst, globally, the MSCI World Index also rose, returning +4.7% for the quarter.

Materials (+32.6%) was the largest contributing sector with exceptional performance across Metals & Mining (+35.5%). Gold and lithium miners dominated, with Pantoro Gold (PNR, +100.0%), Resolute Mining (RSG, +68.9%), Westgold Resources (WGX, +57.3%), Vault Minerals (VAU, +57.1%), Ramelius Resources (RMS, +56.1%) and West African Resources (WAF, +33.9%) all posting significant gains. Capricorn Metals (CMM, +38.5%), Regis Resources (RRL, +38.2%) and Capstone Copper (CSC, +39.0%) also performed strongly.

The Industrials sector (+22.6%) was the second largest contributor with DroneShield (DRO, +104.4%) continuing its rally on defense sector momentum, alongside Austal (ASB, +23.2%). Construction companies NRW Holdings (NWH, +58.1%) and Monadelphous (MND, +30.6%) gained on infrastructure spending, while Silex Systems (SLX, +55.7%) and Kelsian Group (KLS, +32.0%) also performed well.

Information Technology (+22.1%) delivered strong contributions with SiteMinder (SDR, +62.8%), RPMGlobal (RUL, +58.8%), Weebit Nano (WBT, +95.7%), Infomedia (IFM, +43.5%) and Nuix (NXL, +33.8%) all rising sharply.

Within the Financials (+9.0%) sector, Zip Co. (ZIP, +44.0%), Insignia Financial (IFL, +23.4%), MA Financial (MAF, +23.6%), Magellan Financial (MFG, +17.3%), Generation Development Group (GDG, +26.8%) and Platinum Asset Management (PTM, +62.0%) posted strong gains.

Consumer Discretionary (+13.3%) was led by Eagers Automotive (APE, +69.5%), Harvey Norman (HVN, +40.0%), Tabcorp (TAH, +44.8%), Nick Scali (NCK, +28.3%) and Lovisa (LOV, +18.8%) as consumer sentiment improved.

Returns were mostly positive within the Real Estate sector (+7.6%) with Centuria Capital (CNI, +31.2%), Cromwell Property (CMW, +36.0%), Charter Hall Social Infrastructure REIT (CQE, +18.8%) and Region Group (RGN, +8.6%) rising.

Energy (-4.7%) posted a negative return with Boss Energy (BOE, -55.9%) declining significantly on uranium sector weakness, while Viva Energy (VEA, -14.8%) also fell.

Health Care (+1.0%) showed mixed results with Mesoblast (MSB, +43.2%), Neuren Pharmaceuticals (NEU, +39.9%) and Clarity Pharmaceuticals (CU6, +42.4%) gaining, offset by EBOS Group (EBO, -26.1%), Regis Healthcare (REG, -22.4%) posting a decline.

Portfolio review

Key Contributors

Eagers Automotive (APE, overweight) – the automotive retail group outperformed following the release of its 1H25 result. The company saw strong momentum across both new and used car deliveries and continued to take market share, achieving its full year turnover guidance in just 6 months and exceeding consensus expectations. Lead indicators were also positive in an environment where the automotive sector appears to have reached an inflection point, with industry margins bottoming in 1H25. APE operates a diversified portfolio of brands that we expect will continue to outperform, with clear value drivers including the scale/quality of the network, breadth of OEM brand partnerships and its unique assets (BYD JV/EasyAuto).

Capstone Copper (CSC, overweight) – the copper producer outperformed during the period on record production, cost improvements and positive developments at Mantoverde, where key permits were secured to lift throughput constraints. The share price was further supported by tightening global copper markets following supply disruptions, driving prices 2.6% higher to US\$4.71/lb. We maintain a positive view on CSC due to its pure-play leverage to attractive copper markets coupled with the potential to more than double production by the end of the decade.

Chrysos Corporation (C79, overweight) – the mineral assay technology company outperformed during the period driven by strong financial performance and supportive industry conditions. Tailwinds from rising exploration and mining activity improved utilisation and contracting for C79's Photon Assay units. The company reported FY25 revenue growth of 46% to AU\$66.1 million, alongside 80% EBITDA growth as operating leverage took hold. We expect C79 to continue to be a key beneficiary of the improving gold market and industry adoption of their photon assay technology.

Key Detractors

Gentrack Group (GTK, overweight) – the utilities and airports enterprise software provider underperformed during the period, primarily due to the loss of an existing client. Despite this setback, we maintain a constructive view on the company's prospects, underpinned by its ability to secure additional contract wins, expand existing customer relationships, and enter new markets. Gentrack operates within the utilities billing sector, which continues to benefit from structural growth driven by the global transition to renewable energy. The company's software platform is regarded as high quality and has experienced strong momentum in contract wins in recent years.

Pinnacle Investment Management (PNI, overweight) – the global fund manager underperformed modestly during the period despite delivering a strong FY25 result above expectations, supported by strong inflows in the second half which underpin upgrades to FY26 earnings expectations. We are seeing an acceleration in revenue growth with material longer term growth potential as market conditions normalise from depressed levels, inflows reaccelerate across the diverse

range of products and from international distribution and new products and businesses mature.

Sims (SGM, overweight) – the scrap steel recycler underperformed during the period as softer earnings overshadowed top-line growth. While revenue rose modestly, EBITDA fell 10.5%. We remain supportive of SGM as we believe the company's majority US exposure is well placed to benefit from US steel tariffs, underpinned by a strong property and distribution position. The company's strategy to focus on margin over volume is delivering solid results. Longer term we see upside for scrap demand given its use in lower emissions Electric Arc Furnace steel making operations.

Market Outlook

September 2025 stood out as mega-cap technology and growth stocks powered global equity gains, while a sharp +11.9% jump in gold prices boosted returns across ASX small-caps and the resources sector.

The ASX 200 Index declined 0.8% in the month of September compared to a +3.4% return for ASX Small Caps Index, extending the outperformance of Small Caps relative to Large Caps to an extraordinary +10.6% for the September quarter. Global equities returned a strong +3.2% in the month of September in US\$ terms and +2.1% in Australian dollar terms, with the A\$/US\$ rising 1.1% in the month. We continue to expect the combination of a rising A\$, easier financial conditions and rising domestic economic growth momentum to support Small and Micro Caps out performance through the remainder of 2026.

Global bonds returned +0.7% in the month September, eclipsing the +0.1% return from Australian fixed interest, as weakening US employment data helped build expectations of a deeper interest rate cutting cycle in the US. Although the US shutdown may delay the formal publication of key US labour market data, we continue to stress that the US labour market will likely continue to weaken and, should the current slow pace of hiring transition to rising layoffs in coming weeks, then US recession fears could easily rebuild as a market thematic and prompt a reassessment of risk assets.

The main economic event in Australia during September took place at the end of the month. The Reserve Bank of Australia (RBA) effectively removed its near-term easing bias amid concerns that September quarter inflation may exceed its forecasts and due to signs that financial markets were, in effect, easing conditions for the RBA, via strong asset price returns, lower yields and tighter bond spreads.

Indeed, our Financial Conditions Index has now moved to a neutral setting which is consistent with achieving a trend like pace of economic growth over the next 12-18 months. As such we have removed our forecast for a November interest rate cut, with the case for near-term interest rate easing resting on a material rise in the unemployment rate or a surprisingly low print in the September quarter CPI. We still see the RBA easing rates through 2026 on the basis that inflation remains on check, unemployment drifts higher and productivity recovers. However, for now, the RBA appears to have shifted to a mode

where they want to monitor the recovery in private demand rather than stimulate it further.

Although October can be a volatile month for risk assets and valuations are stretched, Australia looks relatively well-placed to benefit from an economic and financial market perspective. Australia is emerging from a much lower starting point in the economic cycle, has low direct exposure to the US tariff shock and Australia's policy easing has a more immediate impact upon demand relative to its peers. Tactically, bonds may outperform equities in coming weeks, however, we remain constructive on the medium-term prospects of Australia's economic and financial market outlook.

We are most overweight stocks in the Financials, Industrials and Information Technology sectors and are underweight Materials, Energy and Consumer Discretionary.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	3.28	5.50	-2.22
Consumer Discretionary	12.00	15.04	-3.05
Consumer Staples	1.37	2.99	-1.62
Energy	2.75	6.07	-3.33
Financials	15.44	11.63	3.82
Health Care	5.80	4.51	1.28
Industrials	14.41	10.99	3.42
Information Technology	8.54	7.20	1.33
Materials	17.88	25.03	-7.15
Real Estate	10.89	11.03	-0.15

Top 3 holdings

	Portfolio %	Benchmark %	Active %
Capstone Copper	4.21	0.80	3.41
AUB Group	3.98	1.19	2.79
Auckland International Airport	3.74	0.84	2.90

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
Capstone Copper	4.21	0.80	3.41
Kelsian Group	3.48	0.34	3.14
Centuria Capital	3.56	0.57	2.99
Underweights			
Capricorn Metals	0.00	1.78	-1.78
Zip Co	0.00	1.78	-1.78
Regis Resources	0.00	1.42	-1.42

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.

Features

Investment objective	To achieve medium-to-long term capital growth by investing in a diversified portfolio of smaller Australian companies. In doing so, the aim is to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling 3-year periods.
Recommended investment time frame	5 - 7 + years
Fund inception	August 2020
Fund size	A\$105.4 mn as at 30 September 2025
ARSN code	642 665 263
Estimated management cost	0.85% p.a.
Buy/sell spread	+/- 0.30%

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