

Yarra Ex-20 Australian Equities Fund

Gross returns as at 30 September 2025

	From 25 June 2018 [^]	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception % p.a.*
Yarra Ex-20 Australian Equities Fund	7.98	0.32	8.23	12.97	17.62	12.83	9.72	8.63
S&P/ASX 300 ex S&P/ASX 20 Accumulation Index [#]	8.28	0.85	7.85	15.04	15.47	11.47	N/A	N/A
Excess return (before fees) [‡]	-0.31	-0.53	0.37	-2.07	2.15	1.36	N/A	N/A

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

	From 25 June 2018 [^]	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception % p.a.*
Yarra Ex-20 Australian Equities Fund	7.00	0.24	7.98	11.96	16.57	11.83	8.62	7.43
S&P/ASX 300 ex S&P/ASX 20 Accumulation Index [#]	8.28	0.85	7.85	15.04	15.47	11.47	N/A	N/A
Excess return (after fees) [‡]	-1.28	-0.61	0.13	-3.08	1.10	0.36	N/A	N/A

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.

[^] Effective 25 June 2018 the Fund's investment strategy, name and benchmark was changed. Performance prior to 25 July 2018 is provided here for consistency purposes only – the historical performance data shown relates to the previous strategy and should not be used to assess past or future performance of the Fund. Performance data relating to the previous strategy is available upon request. 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 Ex-20 Australian Equities Fund: August 2010.

[#] The benchmark for the Yarra Ex-20 Australian Equities Fund has been amended since the Fund's inception. Effective 25 July 2018, the benchmark is the S&P/ASX 300 ex S&P/ASX 20 Accumulation Index, replacing the S&P/ASX 300 Accumulation Index.

[‡] Excess return: The difference between the Fund's return and the benchmark return.

Market review

The Australian Ex-20 equities market rose during the third quarter of 2025. Despite ongoing global economic uncertainty, the market was supported by strong commodity prices, which benefitted the metals and mining sector, though this was partially offset by weakness in the major banks and healthcare stocks.

The S&P/ASX 300 Ex-20 Accumulation Index gained +7.9% for the quarter, taking its 12-month return to +15.0%. Similarly, 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 (+24.1%) and Real Estate (+10.5%) were the largest sector contributors during the period. Within Materials, the Metals & Mining sub-sector (+36.0%) was exceptional, with Lynas Rare Earths (LYC, +95.2%), Mineral Resources (MIN, +90.8%) and Pilbara Minerals (PLS, +88.8%) rallying strongly on commodity price strength. Gold miners were broadly positive, with Evolution Mining (EVN, +41.0%), Northern Star

(NST, +29.9%) and Ramelius Resources (RMS, +56.1%) all posting significant gains. Building Materials stock James Hardie (JHX, -32.7%) was a major detractor on US housing market concerns.

In Real Estate, Charter Hall Group (CHC, +18.6%), Stockland (SGP, +14.2%) and Scentre Group (SCG, +17.3%) rallied on rate cut expectations, while Centuria Capital (CNI, +31.2%) was a standout performer.

Consumer Discretionary (+10.5%) was led by Eagers Automotive (APE, +69.5%), Tabcorp (TAH, +44.8%) and Harvey Norman (HVN, +40.0%), while IDP Education (IEL, +80.6%) recovered significantly from earlier earnings downgrade driven weakness.

In the Industrials sector (+5.5%), DroneShield (DRO, +104.4%) continued its rally on defence sector momentum, while NRW Holdings (NWH, +58.1%) and Monadelphous (MND, +30.6%) benefited from strong infrastructure spending.

Information Technology (+2.2%) saw mixed results with Life360 (360, +65.4%) and SiteMinder (SDR, +62.8%)

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performing strongly, offset by declines in WiseTech (WTC, -17.1%) and Xero (XRO, -12.4%).

The only sectors to post negative returns were Health Care (-3.8%) and Consumer Staples (-0.6%). Telix Pharmaceuticals (TLX, -40.3%), Sonic Healthcare (SHL, -17.8%) and Ramsay Health Care (RHC, -12.5%) detracted in Health Care, while Treasury Wine Estates (TWE, -7.1%) declined on China market concerns.

Key Contributors

Tabcorp (TAH, overweight) – the wagering operator outperformed during the period after a strong FY25 result, delivering a material beat to consensus expectations through cost-out. Lead indicators of TAH's growth strategy were also evident as the company took market share, with progress on its in-venue, tote unification, international and media strategies evident. In our view TAH has continued to execute on its turnaround, leaving the company well placed to benefit from an improvement in the domestic wagering market and operating leverage, which appears to be nearing an inflection point.

James Hardie (JHX, underweight) – the leading building material supplier underperformed during the period following significantly weaker-than-expected 1Q26 results, including a 12% drop in North American sales and a 21% decline in adjusted EBITDA. Disappointingly, the company updated its FY26 outlook to imply significantly weaker operating conditions for both the core JHX business in North America along with the new decking company acquisition AZEK. We remain underweight the stock reflecting concerns over the slowing US housing market, competitive dynamics and the elevated debt position following the AZEK acquisition.

Northern Star Resources (NST, overweight) – the gold producer outperformed on back of a record financial result and strong gold prices (+17% during the quarter). NST reported revenue of A\$6.4 billion and more than doubled net profit to A\$1.3 billion, while lifting its dividend to 30 cents a share. We believe that Northern Star has the most robust organic production growth profile in the gold sector. Operational excellence, combined with strong organic growth, underpins our overweight position.

Key Detractors

Lynas Rare Earths (LYC, underweight) – the rare earth miner outperformed during the period as NdPr prices rose 26% to US\$69/kg. The company undertook a A\$750 million equity raise to fund expansion including increased processing capacity and resource development. LYC holds a strong position as a major producer outside China. We remain underweight LYC as we struggle to identify value and prefer exposure to rare earths via peer Iluka Resources (ILU.AX).

Bapcor (BAP, overweight) – the automotive aftermarket supplier underperformed during the period following the release of its July trading update and subsequent FY25 result. Bapcor reported softening earnings momentum, restatements and write-downs, which saw a rebasing of the business and an

uncertain earnings outlook. We consider these impacts to be company specific and addressable for BAP which saw weak trading in its key May/June trading periods across Trade, Retail and Wholesale. We remain somewhat cautious on the short-term outlook with the business still in turnaround, but believe that value will be unlocked if BAP executes its strategic initiatives to simplify the business.

Xero (XRO, overweight) – the cloud-based accounting software company was a modest underperformer during the month on limited company specific news. It appears the recent acquisition of US bill payment platform Melio continues to weigh on the stock. We feel that market concerns over this acquisition are not proportional to its materiality to the overall business and the strong long term growth profile, regardless of the speed of success in the US.

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 within the Communication Services, Utilities and Materials sectors and underweight Industrials, Real Estate and Energy.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	14.18	4.64	9.54
Consumer Discretionary	5.90	6.78	-0.88
Consumer Staples	2.98	2.72	0.26
Energy	0.00	2.79	-2.79
Financials	11.52	14.25	-2.74
Health Care	9.76	10.63	-0.88
Industrials	2.64	11.57	-8.93
Information Technology	9.67	8.97	0.70
Materials	24.34	23.64	0.70
Real Estate	5.39	10.65	-5.26
Utilities	9.23	3.35	5.89

Top 3 holdings

	Portfolio %	Benchmark %	Active %
Northern Star	7.69	2.96	4.74
ResMed	5.60	2.03	3.56
Origin Energy	5.07	1.88	3.19

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
Northern Star	7.69	2.96	4.74
NEXTDC	5.05	0.94	4.10
ResMed	5.60	2.03	3.56
Underweights			
Suncorp Group	0.00	1.91	-1.91
Scentre Group	0.00	1.85	-1.85
Computershare	0.00	1.72	-1.72

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.

Income and growth

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
Growth return	9.95	14.62	9.71	6.09
Distribution return	2.01	1.94	2.12	2.52

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 capital distributions.

Features

Investment objective	To achieve medium-to-long term capital growth through exposure to Australian Securities Exchange listed securities excluding the largest 20 by market capitalisation (as defined by the S&P/ASX 20 Index). In doing so, the aim is to outperform the S&P/ASX 300 ex S&P/ASX 20 Accumulation Index over rolling 3-year periods.	
Recommended investment time frame	5 - 7 + years	
Fund inception	August 2010	
Fund size	A\$121.0 mn as at 30 September 2025	
APIR code	JBW0052AU	
Estimated management cost	0.90% p.a	
Buy/sell spread	+/- 0.15%	
Platform availability	BT Panorama Hub24	Praemium

Applications and contacts

Investment into the Yarra Ex-20 Australian Equities Fund can be made by Australian resident investors only.

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