

Yarra Income Plus Fund

Gross returns as at 30 September 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	0.04	1.65	5.99	7.75	5.05	4.73	6.19
Bloomberg AusBond Bank Bill Index	0.29	0.92	4.19	4.05	2.52	2.07	3.87
Excess return [‡]	-0.25	0.73	1.81	3.70	2.52	2.65	2.32

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.	10 years % p.a.	Since inception* % p.a.
Yarra Income Plus Fund	-0.01	1.48	5.28	7.02	4.34	4.02	5.44
Growth return [†]	-0.73	0.75	1.45	3.22	1.09	0.65	0.75
Distribution return [‡]	0.72	0.73	3.83	3.81	3.24	3.37	4.69
Bloomberg AusBond Bank Bill Index	0.29	0.92	4.19	4.05	2.52	2.07	3.87
Excess return [‡]	-0.31	0.56	1.09	2.97	1.81	1.94	1.57

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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 1.48% (net basis) over the quarter, outperforming its benchmark by 56 bps. On a 12-month view the Fund returned 5.28% (net basis), outperforming the Bloomberg AusBond Bank Bill Index by 109 bps.

Positive performance for the quarter was substantially driven through the Fund's allocation to REITs/Infrastructure which benefitted from a broader rally in equity markets, alongside strong demand for Real Assets. Allocations to both Hybrids and Diversified Credit also continued to benefit from strong income returns and spread compression. The Fixed Interest sleeve also performed as expected in the context of rate cuts.

During the quarter, we adjusted our TAA several times, including increasing the allocation to Fixed Interest while reducing cash levels in order to take advantage of opportunities presented by a July sell off in bonds. We also slightly reduced the allocation to REITs/Infrastructure alongside Hybrids, reflecting expectations of elevated volatility in the final quarter of the year.

Market review

While markets continued to be volatile during the quarter, noise surrounding tariffs and the changing trade landscape dissipated slightly.

Global markets have continued to see structural shifts away from USD assets as global investors reassess asset allocations. Data out of the US has remained relatively stable, however an uptick in the unemployment rate to 4.3% prompted the Federal Open Market Committee (FOMC) to reduce the cash rate by 25 bps in the September meeting (4.00% lower band). Upside inflation risk remains a notable key theme for the FOMC which continues to be cautious in its outlook and in signalling any further rate cuts to the market. In the quarter, Stephen Miran was added to the FOMC as the replacement for Governor Kugler. In the US, the 10-year bond yield declined to close the quarter at 4.13%.

In other developed market news, we continued to see weak economic data out of the UK as the unemployment rate remained at 4.7%. In response, the Bank of England (BoE) reduced the cash rate to 4% in its August meeting. The Bank of

Canada (BoC) and the Reserve Bank of New Zealand (RBNZ) followed a similar path, with both central banks lowering their respective cash rates in response to higher unemployment and stagnant GDP data.

Domestically, the Reserve Bank of Australia (RBA) reduced rates to 3.60% in its August meeting following a surprise hold in July. The unemployment rate remains relatively stable at 4.2%, while quarterly trimmed mean inflation appears to be tracking in line with the RBA's forecast. In the recent September meeting, a 0.1% upside surprise to the monthly inflation print did have markets reducing expectations of a November rate cut. Private sector demand, retail sales and household savings rates have all improved in the wake of the initial 75 bps of rate cuts. The yield curve flattened, with the 3-year yield rising to 3.56% and the 10-year yield rising to 4.32% over the period.

Credit spreads continued to tighten during the quarter. As we made our way through corporate reporting season, we saw demand side pressures combine with a lull in issuance from corporates, contributing to substantially oversubscribed deals.

Notably, we saw EDF and ANZ bring 20-year deals to market, evidencing the continued maturation of Australian credit markets. Increased interest from international investors in Australian Dollar credit has seen several new names come to market. We also witnessed the first international bank AT1 issuance in many years, as UBS completed their \$1.25 billion deal in September.

Domestic reporting season continued to highlight the health of Australian corporates, with balance sheets remaining robust and most investment grade companies displaying strong liquidity. The Australian iTraxx closed the quarter tighter at 65.7 bps.

Sector review

Listed Property, Infrastructure and Utilities

The S&P/ASX 200 A-REIT index rose during the quarter, returning 4.56% for the period while the broader S&P/ASX 200 returned 4.71%. The S&P/ASX 300 Custom Infrastructure and Utilities index returned 4.39%.

Hybrids

Hybrids continued to perform well during the quarter. Demand in both primary and secondary markets saw spread compression contributing positively to price performance. Outright yields still remain around historical levels.

Diversified Credit

Diversified credit was a solid performer during the quarter. The allocation to illiquids alongside strong running yields allowed the Fund to be protected from volatile markets.

Fixed Interest

With the RBA undertaking its cutting cycle, long duration exposures performed well during the quarter. With global uncertainty we expect bonds could continue to rally.

Cash

With the cash rate now sitting at 3.60% after three interest rate cuts, the yield on the cash sleeve has dropped since late 2024.

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.

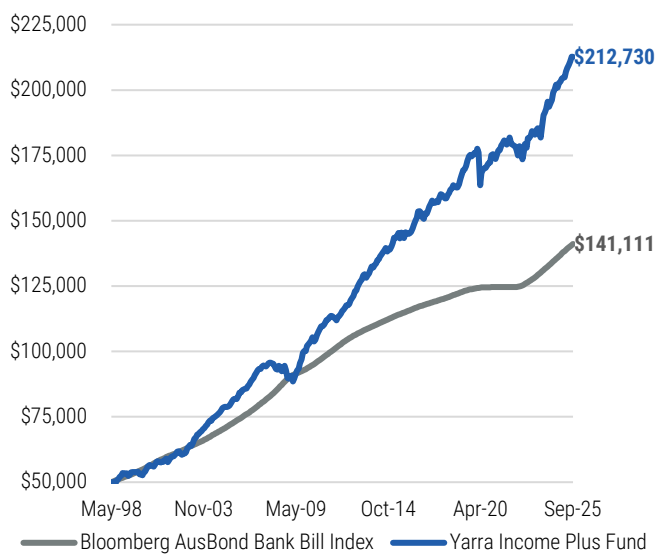
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

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\$61.3 mn as at 30 September 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 September 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

Investor Services Team 1800 034 494 (Australia) +61 3 9002 1980 (Overseas) IST@yarracm.com

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