

Yarra Enhanced Income Fund

Gross returns as at 31 October 2025

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception [^] % p.a.
Yarra Enhanced Income Fund	0.50	1.74	7.81	8.83	6.64	6.21	6.32
Yarra Enhanced Income Fund (incl. franking)	0.51	1.76	7.91	8.95	6.74	6.49	6.89
RBA Cash Rate [#]	0.30	0.90	4.01	4.00	2.57	1.93	3.32
Excess return [‡]	0.21	0.86	3.90	4.95	4.17	4.56	3.57

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. Returns inclusive of franking credits are calculated by attributing a cash value to each franking credit, and assuming that amount is re-invested, along with all other distributions. Figures including franking credits should not be relied upon as an exact indication of performance or be compared to returns of other managed funds which do not include amounts for franking credits. The level of franking of distributions may vary.

Net returns as at 31 October 2025

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception [^] % p.a.
Yarra Enhanced Income Fund	0.45	1.60	7.22	8.23	6.06	5.52	5.55
Yarra Enhanced Income Fund (incl. franking)	0.46	1.62	7.32	8.36	6.16	5.80	6.11
Growth return [†]	0.09	0.56	1.30	2.55	1.25	1.24	0.15
Distribution return [†]	0.38	1.06	6.01	5.81	4.90	4.56	5.96
RBA Cash Rate [#]	0.30	0.90	4.01	4.00	2.57	1.93	3.32
Excess return [‡]	0.16	0.72	3.31	4.36	3.59	3.86	2.79

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. Returns inclusive of franking credits are calculated by attributing a cash value to each franking credit, and assuming that amount is re-invested, along with all other distributions. Figures including franking credits should not be relied upon as an exact indication of performance or be compared to returns of other managed funds which do not include amounts for franking credits. The level of franking of distributions may vary.

[^] Inception date Yarra Enhanced Income Fund: June 2003.

[†] Growth returns are measured by the movement in the Yarra Enhanced Income Fund's unit price, ex-distribution. Distribution return is the proportion of the total return which is paid to unitholders by way of distribution. It does not include distribution amounts deemed as capital distributions. Returns inclusive of franking credits are calculated by attributing a cash value to each franking credit, and assuming that amount is re-invested, along with all other distributions. Figures including franking credits should not be relied upon as an exact indication of performance or be compared to returns of other managed funds which do not include amounts for franking credits. The level of franking of distributions may vary.

[#] The RBA Cash Rate is being used for comparative purposes only. The underlying assets of the Fund are of a higher risk profile than cash assets. When comparing performance of the Fund against the RBA Cash Rate, investors should take this into account.

[‡] The excess return figures shown represent the difference between the Fund's return including franking and the RBA Cash Rate.

Portfolio review

The Yarra Enhanced Income Fund returned 0.46% (net basis, including franking) over the month, outperforming its benchmark by 16 bps. On a 12-month view the Fund has returned 7.32% (net basis, including franking), outperforming the RBA Cash Rate by 331 bps.

Positive returns for the month were primarily driven by carry, supported by spread compression with our curve position detracting marginally from overall performance. We participated in multiple deals, including Ampol and Lendlease subordinated debt deals, which continue to add to our strong running yield and the Lendlease deal also providing franking income benefits.

Market review

US risk markets continued to edge higher despite ongoing political instability and a month-long government shutdown.

The Federal Open Market Committee (FOMC) delivered another rate cut in the month, and also announced they would end their balance sheet reduction (QT) on December 1. Post its meeting, Fed Chair Powell advised that another rate cut in December is not a foregone conclusion, "on fact, far from it". Markets responded with a modest sell-off in bonds but closed the month lower.

Elsewhere, the Reserve Bank of New Zealand (RBNZ) continued its easing cycle amid elevated unemployment and

sluggish growth. The Bank of Canada (BoC) also lowered its cash rate target to 2.25%, and markets largely ignored France's credit rating downgrade.

Domestically, a stronger than expected trimmed mean inflation measure of 3.0% (y/y) saw the market abandon any expectation of further rate cuts for the remainder of 2025. The Reserve Bank of Australia (RBA) met in November and kept the cash rate on hold. Post the meeting, the RBA acknowledged the recent higher-than-expected unemployment rate, however, also maintained that labour market conditions remained tight. In the Statement on Monetary Policy, the inflation outlook was revised slightly higher, with trimmed mean inflation projected to remain above the 2-3% target band until the second half of 2026.

During the month, we saw some marginal spread compression as demand for Australian credit remained strong. Offshore investors continue to allocate into AUD assets, with Australian credit offering attractive relative value. Primary activity during the month remained robust, with several new names coming to market. Of note, Lendlease Finance issued a subordinated perpetual non call 3-year deal, priced attractively on both a cash and franking adjusted basis. Deals priced during the month continued to see prices tighten during the book build process. Additionally, decent levels of oversubscription, underscored strong demand.

The Australian iTraxx closed flat to last month at 65.8 bps, reflecting a stable credit risk sentiment.

Outlook

Global factors will continue to play a significant role in shaping the domestic market, and the RBA is likely to remain cautious in its decision-making. Following a slightly stronger than expected inflation print last quarter, the RBA will remain wary of upside risks to inflation. The labour market will also be a key determinant for any future policy adjustments.

Credit conditions in Australia remain robust as financial conditions continue to ease. Absent any major global risk-off events, we expect the structural shift to Australian dollar assets to persist, amplifying spread compression. As the Australian credit market continues to grow, conditions will likely remain favourable to both new and existing issuers bringing primary deals to market. In this context, we expect to continue to see strong levels of liquidity.

Portfolio profile

Portfolio characteristics

	Portfolio
Running yield (incl franking credits) (%)	5.62
Option Adjusted Spread	157
Average weighted issue credit rating	BBB+
Average weighted ESG Rating*	BBB+
Estimated yield to maturity (%)	5.15
Fund duration (yrs)	1.50
Spread duration (yrs)	3.58
Number of securities	209
Listed	37
Unlisted	172

* Please note that the ESG ratings are YCM internal ratings.

Sector allocation

	Portfolio %
Asset Backed	-
Banks	45.56
Communication Services	-
Consumer Discretionary	-
Consumer Staples	-
Diversified Finance	9.16
Energy	6.40
Health Care	0.80
Industrials	10.88
Information Technology	0.14
Insurance	11.33
Materials	0.39
Mortgage Backed	-
Real Estate	5.40
Utilities	2.23
Cash & Other	7.71

Top 10 holdings

Issuer	ISIN	Portfolio %
ANZ Banking	AU3FN0091583	1.94
BNP Paribas	AU3FN0094280	1.72
National Australia Bank	AU3CB0324226	1.59
Westpac Banking	AU3CB0322337	1.49
Credit Agricole	AU3FN0094819	1.49
Ampol Limited	AU3FN0094520	1.45
Westpac Banking	AU3CB0304376	1.38
HSBC Holdings	AU3FN0096483	1.34
Aurizon Finance	AU3FN0098372	1.34
Challenger Life	AU3CB0292324	1.28

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.

Maturity profile

	Portfolio %
Perpetual/Callable	9.89
Callable	67.01
At Maturity	15.40

Security profile

	Portfolio %
Floating rate	51.31
Fixed rate	40.99
Cash & Other	7.71

Credit rating profile

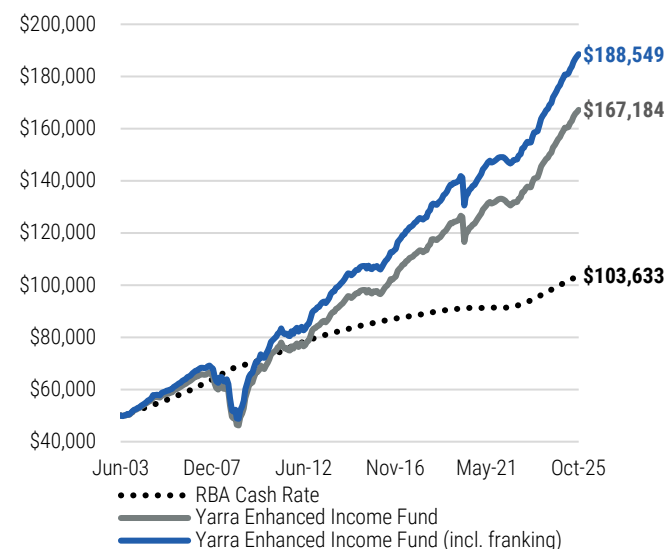
	Portfolio %
AA-	1.62
A+	0.17
A	0.31
A-	16.68
BBB+	14.83
BBB	38.00
BBB-	10.66
BB+	3.23
BB	3.30
BB-	2.81
B+	0.17
B	0.52
B-	-
Not rated or below	-
Cash and Derivatives	7.71

Features

Investment objective	To earn higher returns than traditional cash management and fixed income investments (over the medium-to-long term) by investing in a diversified portfolio of fixed income and hybrid (debt/equity) securities.	
Recommended investment time frame	3 – 5+ years	
Fund inception	June 2003	
Fund size	Pooled Fund A\$2,819.6 mn as at 31 October 2025	
APIR code	JBW0018AU	
Estimated management cost	0.55% p.a.	
Buy/sell spread	+/- 0.10%	
Platform availability	AMP North Asgard BT Panorama CFS First Choice Hub24 IOOF Wrap Macquarie Wrap Mason Stevens	MLC Wrap MLC Navigator Netwealth Praemium Powerwrap uXchange (DASH) Xplore Wealth

Investment performance comparison of \$50,000

After fees, since inception of the Yarra Enhanced Income Fund, June 2003 to October 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 RBA Cash Rate is for comparative purposes only. Note that the minimum initial investment amount for the Yarra Enhanced Income Fund is \$10,000.

Applications and contacts

Investment into the Yarra Enhanced Income 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

Disclaimers

The Yarra Enhanced Income Fund is substantially invested in the Yarra Enhanced Income Pooled Fund ("Pooled Fund"). References in this document to the underlying assets or investments of the Fund generally relate to the assets held in the Pooled Fund.

Yarra Funds Management Limited (ABN 63 005 885 567, AFSL 230 251) ("YFM") is the issuer and responsible entity of a range of registered managed investment schemes, which includes those named in this document ("Funds"). YFM is not licensed to provide personal financial product advice to retail clients. The information provided contains general financial product advice only. The advice has been prepared without taking into account your personal objectives, financial situation or particular needs. Therefore, before acting on any advice, you should consider the appropriateness of the advice in light of your own or your client's objectives, financial situation or needs. Prior to investing in any of the Funds, you should obtain and consider the product disclosure statement ("PDS") and target market determination ("TMD") for the relevant Fund by contacting our Investor Services team on 1800 034 494 or from our website at www.yarracm.com/pdsupdates/. The information set out has been prepared in good faith and while Yarra Funds Management Limited and its related bodies corporate (together, the "Yarra Capital Management Group") reasonably believe the information and opinions to be current, accurate, or reasonably held at the time of publication, to the maximum extent permitted by law, the Yarra Capital Management Group: (a) makes no warranty as to the content's accuracy or reliability; and (b) accepts no liability for any direct or indirect loss or damage arising from any errors, omissions, or information that is not up to date. No part of this material may, without the Yarra Capital Management Group's prior written consent be copied, photocopied, duplicated, adapted, linked to or used to create derivative works in any form by any means.

YFM manages the Fund and will receive fees as set out in the PDS. To the extent that any content set out in this document discusses market activity, macroeconomic views, industry or sector trends, such statements should be construed as general advice only. Any references to specific securities are not intended to be a recommendation to buy, sell, or hold such securities. Past performance is not an indication of, and does not guarantee, future performance. Information about the Fund, including the relevant PDS, should not be construed as an offer to any jurisdiction other than in Australia. With the exception of some Funds that may be offered in New Zealand from time to time (as disclosed in the relevant PDS), we will not accept applications from any person who is not resident in Australia or New Zealand. The Fund is not intended to be sold to any US Persons as defined in Regulation S of the US federal securities laws and has not been registered under the U.S. Securities Act of 1933, as amended.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. Holdings may change by the time you receive this report. Future portfolio holdings may not be profitable. The information should not be deemed representative of future characteristics for the strategy. There can be no assurance that any targets stated in this document can be achieved. Please be advised that any targets shown are subject to change at any time and are current as of the date of this document only. Targets are objectives and should not be construed as providing any assurance or guarantee as to the results that may be realized in the future from investments in any asset or asset class described herein. If any of the assumptions used do not prove to be true, results may vary substantially. These targets are being shown for informational purposes only.

© Yarra Capital Management, 2025.