

Yarra Ex-20 Australian Equities Fund

Gross returns as at 30 November 2025

	From 25 June 2018 ^A	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	7.58	-1.81	-1.10	8.03	12.01	10.25	8.59	8.43
S&P/ASX 300 ex S&P/ASX 20 Accumulation Index [#]	8.01	-0.69	0.26	11.34	11.06	8.84	N/A	N/A
Excess return (before fees) [‡]	-0.42	-1.13	-1.36	-3.31	0.95	1.41	0.00	0.00

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 November 2025

	From 25 June 2018 ^A	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	6.61	-1.88	-1.32	7.06	11.01	9.27	7.50	7.24
S&P/ASX 300 ex S&P/ASX 20 Accumulation Index [#]	8.01	-0.69	0.26	11.34	11.06	8.84	N/A	N/A
Excess return (after fees) [‡]	-1.39	-1.20	-1.58	-4.28	-0.05	0.42	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.

^A 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 equities market fell during November as sentiment weakened following a stronger than expected October CPI print that saw rate markets move to factor in a rate rise in 2026.

The S&P/ASX 300 Ex-20 Accumulation Index fell -0.7% for the month, taking its 12-month return to +11.3%. The broader S&P/ASX 300 Accumulation Index returned -2.6% for the period whilst globally, the MSCI World Index posted +0.3% for the month.

Materials (+6.7%) was the only positive contributor, driven by Northern Star Resources (NST, +10.4%), Pilbara Minerals (PLS, +22.7%) and Evolution Mining (EVN, +9.4%) among others, while Iperionx (IPX, -24.9%) and James Hardie (JHX, -5.7%) detracted. Positive commodity price signals drove momentum while gold sentiment was also strong.

Health Care (-0.2%) detracted slightly, with positive performance by Ramsay Health Care (RHC, +14.7%) and Sonic

Healthcare (SHL, +10.3%), while Clarity Pharmaceuticals (CU6, -26.3%) and Sigma Healthcare (SIG, -7.4%) weighed on performance.

Industrials (-0.5%) edged lower, supported by Monadelphous (MND, +15.3%) and NRW Holdings (NRW, +13.6%), while DroneShield (DRO, -48.3%) and Electro Optic Systems (EOS, -26.7%) detracted.

Utilities (-2.1%) declined, with AGL Energy (AGL, +1.5%) and APA Group (APA, +0.9%) comparatively resilient, while Origin Energy (ORG, -4.7%) weighed on the sector.

Consumer Discretionary (-2.6%) weakened, with Light & Wonder (LNW, +39.8%) and Web Travel Group (WEB, +14.1%) supporting returns, while Temple & Webster (TPW, -34.8%) and Eagers Automotive (APE, -16.4%) detracted. Travel demand remained firm supporting WEB while subdued consumer sentiment affected the TPW and APE outlook.

Energy (-3.9%) detracted, led by Viva Energy (VEA, +15.5%) and Amplitude Energy (AE, +6.1%) on refining and gas exposures, while Boss Energy (BOE, -18.8%) and Paladin

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Energy (PDN, -15.9%) weighed on performance as uranium names reversed recent gains.

Communication Services (-6.1%) weakened broadly, with Superloop (SLC, -9.9%) and Seek (SEK, -9.7%) detracting.

Financials (-4.6%) softened, with HMC Capital (HMC, +24.8%) and GQG Partners (GQG, +18.2%) contributing, while Bendigo & Adelaide Bank (BEN, -19.1%) and Suncorp (SUN, -10.5%) detracted. Moves reflected fund flow dynamics and renewed margin pressure in the banks.

Information Technology (-10.8%) was the worst-performing sector, with Gentrack (GTK, +20.2%) and WiseTech Global (WTC, +5.6%) gaining, while Life360 (360, -18.8%) and TechnologyOne (TNE, -17.6%) detracted. Concerns weighed heavily on tech names due to softer earnings and scepticism on 360's recent advertising platform acquisition.

Key Contributors

Northern Star Resources (NST, overweight) – the gold producer outperformed during the period following a solid Q1 FY26 update, where the company delivered strong production, maintained cost discipline and reaffirmed full-year guidance. The stock also benefited from supportive sector conditions, with higher gold prices (+5%) during the month. We remain attracted to the company's asset quality, cost control, and organic growth pipeline that will grow medium-term production from ~1.5Mozpa to ~2Mozpa.

Ramsay Healthcare (RHC, overweight) – Australia's largest private hospital player outperformed during the period following a stronger-than-expected Q126 update, with improving operating margins across the domestic private hospital portfolio (something Ramsay and peers have struggled with in recent years). Additionally, the company is progressing with options to exit its European hospital exposure (de Sante) foreshadowing greater disclosure in the coming months. Overall, we remain positive, driven by improved outlook domestically, progress towards exiting de Sante, and opportunities to strengthen the company's overall funding position.

Orica (ORI, overweight) – the mining services company outperformed during the period following its 2H25 result which demonstrated robust operational performance and a strong financial position. EBIT rose 23% with underlying net profit up 32%, supported by broad-based growth across the blasting, digital, and specialty chemical segments. Strong cash flow, an increased dividend, and an expanded share buy-back (increasing from \$500 to \$600 million) underscore Orica's disciplined capital management and commitment to shareholder returns. Coupled with the company's transition toward technology-enabled mining solutions, these fundamentals reinforce our positive view of Orica as a high-quality industrial exposure, trading on an undemanding multiple given the earnings opportunity.

Key Detractors

NextDC (NXT, overweight) – the leading Australian data centre owner and developer underperformed during the period following a selloff in global peers and players in the AI value chain around fears of a bubble. We believe NXT is well protected from these concerns, with high earnings certainty for the next 3 years, its strategic locations, co-location model and strong balance sheet. With the stock trading on 17-times contracted revenue, we view this as an attractive entry point.

Xero (XRO, overweight) – the cloud-based accounting software company was an underperformer during the period as the market digested its noisy 2H25 with the introduction of the loss making Melio and associated one off costs. Whilst revenues were in line with expectations, both earnings and earnings outlook were a miss, largely due to Melio, which has further heightened market concern with this acquisition. We feel that concerns around Melio are overplayed given its low materiality to the overall business and the strong long term growth profile, regardless of the speed of success in the US.

Block, Inc (XYZ, overweight) – the payments technology company underperformed during the period following a Q3 earnings report that was broadly in line with expectations but viewed with caution by the market which questioned the underlying quality of the result. XYZ also hosted an investor day during the month, providing FY26 and FY28 guidance ahead of expectations and highlighting both a strong pipeline of product initiatives that should continue to drive growth across its two key businesses as well as, the strong cash generative nature of the company.

Market outlook

The U.S. ended its record 43-day shutdown mid-November, however key data releases were cancelled or delayed, and the absence of strong data leads contributed to volatile price action in markets. Global equities advanced just +0.2% in the month, albeit this hid considerable shifts under the surface. Healthcare (+9.3%) and defensive sectors outperformed whereas Technology (-4.3%) and Consumer Discretionary (-2.4%) lagged. Value (+2.7%) outperformed Growth (-1.8%). Indeed, mega-cap tech and AI-linked stocks faced profit-taking; Nvidia -12.6%, Oracle -23%, while Alphabet surged +13.6% on Gemini AI optimism.

Despite, robust Australian economic data Australian equities had a poor month. The ASX200 Index returned -2.7% and ASX Small Caps Index returned -1.5% in November. In part, this can be attributed to a sharp shift in domestic interest rate expectations after strong September and October inflation data which has seen financial markets pricing the next move from the Reserve Bank of Australia (RBA) as a hike before mid-2026. In contrast, expectations for the US Federal Reserve (Fed) swung back to a cut at the December 2025 meeting.

The shift in US interest rate expectations assisted fixed income returns during the month, with global bonds returning 0.2%MoM during the month. In contrast, the shift in RBA rate expectations saw Australian government bonds return -1.0% in the month and total fixed income return -0.9% in the month.

From our perspective, financial markets are misreading recent inflation data which has been bolstered by base effects and by a range of one-off factors. Both of these effects we expect will recede in coming months. Indeed, we still believe the next interest rate move is likely to be lower, albeit the earliest opportunity won't present itself until May 2026 when underlying inflation pressures remain well behaved, wages moderate, unemployment drifts higher and productivity recovers. However, for now, the RBA have shifted to a mode where they want to monitor the recovery in private demand rather than stimulate it further.

We are as positive on the Australian economic outlook as we have been since our 2020 call for a sharp V-shaped recovery post COVID. This economic cycle will be a slow moving recovery, building on the base of the one that commenced in 2025, but we believe it will also be a more durable recovery. Importantly, we expect that private demand growth will continue to take the baton from the public sector to deliver a more inclusive economic climate. Growth at supportive major trading partners sets a tailwind for the Australian economic recovery into 2026. Filling out the sails of the recovery are loosening financial conditions, strong household cashflow growth, solid household wealth growth and early signs of a return of housing equity withdrawals which all contribute to the consumer being the prime driver of economic growth in 2026 and 2027. The amplifier of the economic cycle is the housing construction sector, assisted by some further gradual easing of interest rates in 2H26.

We expect a somewhat bumpy but positive ride for equities in 2026. Our forecasts are for a total return of +9% for the US, +12% for Emerging Markets, and +10% for Australia. Within interest rate markets, we expect yield curve steepening to be back in vogue in 1H26 in anticipation of a dovish Fed and stubbornly high government debt in the US and we expect a weaker US\$ to again become a dominate theme in 2026, helping to propel the A\$/US\$ well through 70c in 2026.

We are most overweight stocks within the Communication Services, Utilities and Healthcare sectors and underweight Industrials, Real Estate and Energy.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	12.83	4.17	8.66
Consumer Discretionary	5.58	6.52	-0.95
Consumer Staples	2.52	2.69	-0.17
Energy	0.00	2.80	-2.80
Financials	11.26	13.74	-2.48
Health Care	12.19	10.70	1.49
Industrials	2.39	11.60	-9.21
Information Technology	7.81	7.43	0.38
Materials	27.17	26.27	0.90
Real Estate	7.55	10.75	-3.19
Utilities	7.88	3.32	4.56

Top 3 holdings

	Portfolio %	Benchmark %	Active %
Northern Star	8.06	3.41	4.65
ResMed	5.46	1.96	3.50
Origin Energy	4.76	1.77	3.00

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
Northern Star	8.06	3.41	4.65
ResMed	5.46	1.96	3.50
NEXTDC	4.15	0.76	3.39
Underweights			
Scentre Group	0.00	1.86	-1.86
Computershare	0.00	1.71	-1.71
Suncorp Group	0.00	1.67	-1.67

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	5.14	9.16	7.20	5.00
Distribution return	1.92	1.85	2.07	2.50

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\$123.8 mn as at 30 November 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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