

Yarra Income Plus Fund

Gross returns as at 31 January 2026

	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	0.28	-0.20	4.90	6.16	4.76	4.60	6.12
Bloomberg AusBond Bank Bill Index	0.30	0.91	3.89	4.12	2.77	2.12	3.86
Excess return [‡]	-0.02	-1.12	1.01	2.04	1.99	2.48	2.26

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 31 January 2026

	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	0.22	-0.37	4.19	5.44	4.05	3.90	5.37
Growth return [†]	0.22	-1.80	-0.51	1.51	0.72	0.54	0.69
Distribution return [‡]	0.00	1.43	4.70	3.94	3.33	3.35	4.68
Bloomberg AusBond Bank Bill Index	0.30	0.91	3.89	4.12	2.77	2.12	3.86
Excess return [‡]	-0.08	-1.29	0.30	1.32	1.29	1.78	1.51

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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 0.22% (net basis) over the month, underperforming its benchmark by 8 bps. On a 12-month view the Fund returned 4.19% (net basis), outperforming the Bloomberg AusBond Bank Bill Index by 30 bps.

Performance for the month was positive, supported by returns from the Cash and Fixed Income sleeves. The Diversified Credit and Hybrid allocations also contributed meaningfully, with healthy income received and spreads continuing to tighten. While the broad bond market sell-off persisted through the month, its impact on the portfolio was limited, with the February rate hike already largely priced in by markets. However, the REIT/Infrastructure sleeve detracted from performance, as rising yields continued to place pressure on asset valuations within this sector.

There were no TAA changes to the portfolio during the month.

Market review

On the final business day of January, President Trump nominated Kevin Warsh as the next Chair of the Federal Reserve, with the appointment now pending Senate confirmation. The Federal Open Market Committee (FOMC) opted to keep the policy rate unchanged, noting inflation remains somewhat elevated and job gains continue to moderate. The US treasury curve steepened over the month, with 10-year yields rising 12.4 bps to close at 4.24%.

Elsewhere, the Bank of Canada held its policy rate unchanged at 2.25%, citing inflation is near its 2% target and expectations for modest economic growth. In the Asia-Pacific region, the Bank of Japan also kept its cash rate unchanged following last year's historic rate hike. The New Zealand economy showed early signs of recovery, although inflation moved above the Reserve Bank of New Zealand's target range, reaching 3.1% in December 2025.

The Reserve Bank of Australia (RBA) met on 2-3 February and unanimously decided to raise the cash rate 25 bps to 3.85%. The 4Q25 CPI print surprised to the upside, with headline

inflation rising 0.4% to 3.8%. In contrast, the quarterly trimmed mean, the RBA's preferred measure, printed in line with market expectations at 0.9%. Labour market conditions improved, with the unemployment rate declining to 4.1%. Bond markets continued to sell off through January as markets priced in the likelihood of a February rate hike. This drove a sharp move at the short end of the curve: 3-year bond futures rose 13 bps to 4.27%, while the 10-year increased 6.5 bps to close at 4.81%.

Credit spreads continued to grind in over the month supported by strong demand for Australian credit, particularly from Asia. Despite elevated primary issuance in January, orderbooks remained consistently oversubscribed, leading to significant spread compression during book builds. The Australian iTraxx closed 1.5 bps wider for the month, ending at 65.9 bps.

The S&P/ASX 200 A-REIT Index declined in January, returning -2.66% for the month while the broader S&P/ASX 200 returned +1.78%. The S&P/ASX 300 Custom Infrastructure and Utilities Index returned -0.70%.

The increase to the cash rate has made the cash sleeve more attractive. However, we continue to identify stronger opportunities to allocate capital to other sleeves currently offering superior risk-adjusted returns.

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.

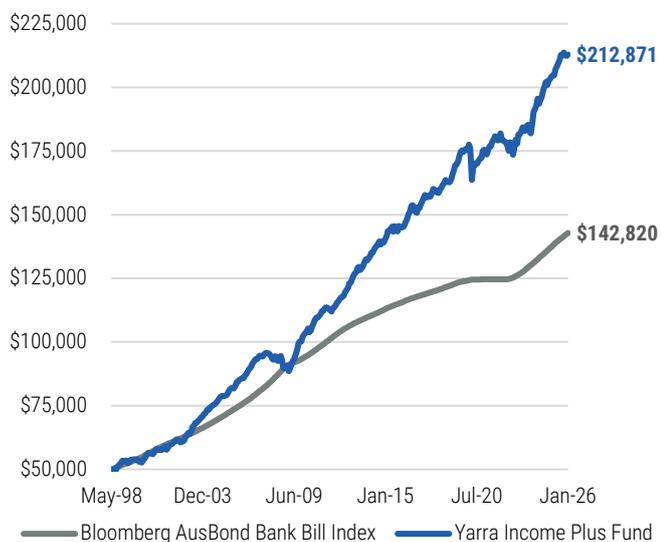
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

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\$57.3 mn as at 31 January 2026	
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 January 2026.



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

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