



Yarra Australian Equity Income Fund

TYN0038AU Author: Matthew Turnbull Published: 26 Mar 2026

Data is provided by the manager at 28 Feb 2026, and currency in AUD, unless otherwise stated

Refer to glossary for definition of the rating

Product Review

About this Product

Investment manager	Yarra Capital Management Limited
Benchmark	S&P/ASX 200 TR Index AUD
Product structure	Managed Fund
Product size	\$127.00m
Inception date	Nov 2008
Asset class	Australian Equities
Sector	Australian Large Cap
Peer group	Income Dividend Focused
Rated peers	17

Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Low
Key Person Risk	Medium
Tenure of Decision Makers	Low
Complex (RG240)	No
Strategy Remaining Capacity	\$13.30b
ESG Approach	Risk or Value
Peer Relative Fees and Costs	In line with median

Annual Fees and Costs (% p.a.)

Management fees & costs	0.80
Performance fee costs	0.00
Net Transaction Costs	0.08
Buy/Sell Spread	0.15/0.15
Annual fees and costs	0.88

Source: FE fundinfo, PDS Date: 02/Jan/2026

Product Opinion

The Fund has been rated 'Recommended' following the recent review. The strategy was previously managed by Tyndall Asset Management and transitioned to Yarra Capital Management Limited on 2 January 2026. The rating reflects the investment team's well-structured and logical investment process, supported by a stable and well-resourced team. This marks Marcus Ryan's first role as lead portfolio manager; however, he is intimate with the investment philosophy and process, having served as the deputy portfolio manager of the Yarra Australian Equities Fund since 2017. The implementation of writing call options will be monitored closely due to Ryan's limited experience in this area, but these options are expected to be used only in limited circumstances.

Lonsec Rating Model

Rating key: ●●● Above ●●● In-line ●●● Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●●●	—
Product	●●●	—
Fees	●●●	—
Performance	●●●	—

Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

Return Profile

Income		
Capital		
	Defensive	Growth

Strengths

- Head of Australian Equities, Dion Hershman, is a highly experienced investor and provides strong leadership to the team.
- The investment team is experienced, well resourced and stable.
- The investment team's key members hold strong alignment of interest, via equity ownership.
- The investment process is logical and well-structured.

Weaknesses

- Portfolio Manager, Marcus Ryan, while experienced and familiar with the process, has limited options writing experience, albeit oversight is provided by Hershman who has requisite options writing experience.
- The Fund has a limited performance track record, having transitioned from Tyndall Asset Management to Yarra Capital Management. Yarra have a differentiated investment approach to that previously employed by Tyndall.

Key Facts

Key Objectives

Investment objective	The Fund aims to provide a tax-effective income stream that exceeds the dividend yield of the S&P/ASX 200 Accumulation Index (grossed up for franking credits) by 2% p.a. over rolling five-year periods, before fees, expenses and tax, plus the potential for capital growth over the long-term.
Internal return objective	The Fund aims to provide a tax-effective income stream that exceeds the dividend yield of the S&P/ASX 200 Accumulation Index (grossed up for franking credits) by 2% p.a. over rolling five-year periods, before fees, expenses and tax, plus the potential for capital growth over the long-term.
Internal risk objective	Tracking error is monitored, but not explicitly targeted.

Asset Allocation (%) (as at 30/06/2025)

Australian Equities	98.20
Cash	1.80
Total	100.00

Source: FE fundinfo

Rating History

04-Dec-2025	Fund Watch
14-Oct-2025	Recommended
22-Nov-2024	Recommended

Product Distribution Profile

Frequency	Quarterly
Last Missed Distribution	N/A
Number of Missed Distributions in the last 5 years	0
AMIT Election	Yes
TOFA Election	No

Top 10 Holdings (as at 30/06/2025)

	Weight (%)
COMMONWEALTH BANK OF AUSTRALIA	7.39
BHP BILLITON LIMITED	6.25
AUSTRALIA AND NEW ZEALAND BANKING GROUP	5.88
CSL LIMITED	5.49
TELSTRA CORPORATION LIMITED	5.23
RIO TINTO LIMITED	4.69
WESTPAC BANKING CORP	4.21
NATIONAL AUSTRALIA BANK LIMITED	3.97
QBE INSURANCE GROUP LTD	3.95
SUNCORP GROUP LTD	2.60

Source: FE fundinfo

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Performance Analysis - annualised after fees at 30/06/2025

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	10.14	12.21	8.46	12.09	9.38	11.90	10.81	11.32
Standard deviation	8.89	10.24	9.43	10.25	10.33	11.28	11.76	12.02
Excess return (% p.a)	-3.67	-1.56	-4.49	-1.36	-4.18	-2.02	-1.03	-0.53
Outperformance ratio (% p.a)	25.00	33.33	33.33	41.67	38.89	43.06	41.67	45.83
Worst drawdown (%)	-3.85	-4.98	-7.06	-7.15	-7.06	-7.18	-9.76	-11.52
Time to recovery (mths)	5	-	2	-	2	-	2	-
Sharpe ratio	0.65	0.76	0.43	0.74	0.53	0.73	0.72	0.72
Information ratio	-0.84	-0.62	-1.18	-0.49	-1.14	-0.62	-0.22	-0.13
Tracking error (% p.a)	4.35	4.13	3.81	3.87	3.66	3.63	4.67	4.38

Lonsec Peer Group: Australian Equities - Australian Large Cap - Income Dividend Focused

Product Benchmark: S&P/ASX 200 TR Index AUD

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

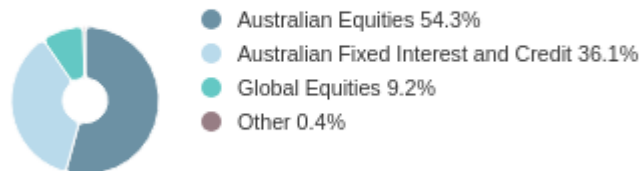
Time to recovery: NR - Not recovered, dash - No drawdown during period

Business ●●●

Facts

Investment Manager	Yarra Capital Management Limited
Ultimate Parent Company	Yarra Capital Management Limited
Headquarters	Melbourne
Inception Date	Apr 2017
% Staff Ownership	20-50%

AUM



Governance

% Independent board members	50
% Female board members	50
Independent chair	Yes
CEO as Chair	No
Separate Audit Committee	Yes

Metrics

Total AUM	\$19.9bn
Investment Management Headcount	87
Investment Professionals	39
Sales & Service	11
Distributor	Self

Who is the Manager?

Yarra Funds Management Limited ('Yarra') was founded in 2017 after Dion Hershan and senior staff completed a management buyout of Goldman Sachs Asset Management ('GSAM') Australia's domestic investment operations, with the support of TA Associates ('TA'). Founded in 1968, TA is a global private equity firm headquartered in the United States. In April 2021, YCM acquired Nikko Asset Management ('Nikko AM') Australia. The enlarged entity manages assets across equities, fixed income, and multi-asset strategies. TA has a long history of co-investing in active fund managers, and Yarra is considered to have a solid long-term partner.

Lonsec Opinion

Profitability

The business is highly profitable, driven by steady growth in funds under management across a diverse range of investment products. A broad product offering is positive, as it reduces the company's dependence on any specific product to sustain its operations.

Business Track record

The firm has a successful track record of strong business growth and client retention across its multiple investment strategies.

Business Ownership

Yarra is 40% owned by TA, 40% owned by members of Yarra staff, and 20% owned by Nikko AM. A staff-owned funds management business is a positive feature of Yarra, as it creates a strong boutique culture that aligns staff well with performance outcomes and aids in staff retention.

Business Governance

Yarra is led by a board and senior management team with a long track record in the funds management industry. The firm has no regulatory findings in its recent history.

Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Marcus Ryan	Portfolio management	No	2026	18/18	18

KDM Change*

No changes.

* Last 3 years

Profile

Size	18
Structure	Centralised
Turnover	Medium

Alignment

KDM equity held in manager	Yes
KDM co-investment in strategy	Yes
Performance-Based bonus	Yes
Long term incentive plan	Yes

Resources

	Number	Average Years Experience
Key decision makers	1	18
Portfolio Managers		
Hybrid portfolio manager/analysts	6	24
Dedicated analysts	7	9
Dedicated dealers	1	25
Quantitative		
ESG/Sustainability	1	20
Macro	2	27
Investment Specialists		

Who is the Team?

The Fund was formerly managed by Tyndall Asset Management and in January 2026, the Fund transitioned to Yarra Capital Management Limited.

The Fund is managed by Portfolio Manager, Marcus Ryan, who also retains his responsibilities as Deputy Portfolio Manager on the Yarra Australian Equities Fund and Yarra Australian Share Wholesale Fund with Dion Hershman, who is Head of Equities. Hershman provides investment leadership and is an experienced Australian equities portfolio manager ('PM'). Hershman is supported at the senior level by Ryan, and Head of Australian Equities Research, Katie Hudson. Hershman's duties include leading the analyst team and covering stocks within the ASX top 100. His portfolio management responsibilities include managing the Yarra Australian Equities Fund, Yarra Australian Share Fund, UBS Yarra Australian Share Fund and the Yarra Ex-20 Australian Equities Fund. Additionally, he co-manages the Yarra Emerging Leaders Fund with Hudson. Overall, this represents a significant portfolio management workload, although many common stock ideas exist across large- and mid-cap funds. Adding to Hershman's breadth of responsibilities is his role as Executive Chair of YCM Group.

Lonsec Opinion

Skill

Marcus Ryan is a well-regarded investor with close to two decades of industry experience. Ryan has deep knowledge of the firm's investment philosophy and process, and has worked alongside Hershman since 2017 as Deputy Portfolio Manager on the Yarra Australian Equities Fund. Ryan was also a Co-Portfolio Manager on the Yarra Australian Real Assets Securities Fund since 2019 until the Fund was closed in August 2023. While noting Ryan's level of industry experience, tenure at the firm and strong familiarity of the process, the appointment as lead Portfolio Manager for this Fund represents his first solo portfolio management role. Furthermore, Ryan has limited options writing experience, which can be used in this strategy to generate additional income, but will be done so in very limited situations. Positively, Hershman will provide oversight in his role as Head of Australian Equities and Hershman has the requisite options writing skills, having run an options trading strategy formerly at Citadel and Goldman Sachs. Mark O'Neill, Senior Investment Manager, has options dealing experience which is also positive.

Team Size

The investment team of 16 is well-resourced and experienced relative to most peers. The team includes 16 Australian Equities portfolio managers and research analysts, a portfolio construction/risk analyst and two macro strategists. The team has an average of 16 years of industry experience and an average tenure of 10 years at YCM. There is a good balance of experience within the investment team, and the analysts are well ingrained in the Yarra philosophy and process. The breadth of resourcing is impressive, providing full coverage of the market. There is a high level of interaction and oversight of analysts' research activities by Hershman and Ryan. This practice promotes higher-quality research and assists with the development of less experienced analysts.

Track Record/Co-Tenure

The team's senior portfolio managers have extensive experience at Yarra, with an average tenure of nearly 20 years, including their time at GSAM. All of the senior PMs hold equity in the firm, which supports team stability and camaraderie. Tenure amongst the broader investment team is strong with no departures over the last three years, reflecting the firm's independent boutique culture. They operate in a flat structure and demonstrate a team-oriented approach to decision-making. Although each analyst has specific sector research responsibilities, the Manager strengthens the team by fostering the sharing of ideas and the peer review process. This approach promotes greater alignment with potential investment proposals and achieves buy-in from the entire team. This Fund represents Ryan's first solo portfolio management role, albeit with oversight from Hershman, and this is also Yarra's first dedicated dividend focused strategy. The team's overall Australian equities experience provides comfort while the Manager builds a performance track record for this capability.

Alignment

The investment team aligns well with end investors through its remuneration structure, which includes both base and variable components. Annual performance bonuses are a function of an individual's performance and their contribution to the overall performance of the team. Further alignment is bolstered by the Manager's ownership structure, wherein a majority of the equity investment team are equity holders in Yarra.

Key Person Risk

There is a moderate level of key person risk ('KPR') associated with Ryan as lead Portfolio Manager of the Fund. There is also moderate KPR associated with Hershman as Head of Equities and Hudson as Head of Research. KPR is partially mitigated by their equity stake in the company. That said, if either investor were to leave the firm, the Fund's rating would be re-evaluated.

What is the Investment Process?

The Fund is a relatively concentrated, long-only Australian equities product that adopts a long-term approach. It focuses on structural and cyclical changes in industries and companies to achieve outperformance. As an extension of the Manager's broadcap offering, the Fund is expected to have a large overlap (circa 80%) of stock holdings, with the major difference being the 'Dividend Optimisation' strategy. The team applies overweights to dividend-paying stocks, based on analyst conviction, and implements leading up to ex-dividend dates, keeping within the 45-day franking rules, while maintaining total capital return goals. Dividend sustainability is a crucial focus of the team's stock specific research and selection for the Fund, and the Manager prudently uses a ten factor checklist aiming to avoid potential dividend cuts.

The investment process is driven by 'bottom-up' fundamental research and supplemented by 'top-down' analysis. The Manager's investment style is not expected to display any persistent bias towards 'growth' or 'value' over a market cycle; thus, its style is best described as 'core' and style neutral. The 'bottom-up' process involves analysing several key factors: industry structure (the industry's future outlook), competitive position (barriers to entry, competitor behaviour, regulation, the company's asset base), value chain dynamics (products, brands, technology, infrastructure), management (quality of management and its ability to create shareholder value), and company track record and outlook (financial position, quality of free cash flow generation). The process is rigorous, and the final output of the bottom-up research is an investment thesis that forms the foundation for peer review.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Type	Fundamental
Investment Approach	Bottom-up
Investment Style	Core/Style Neutral
Typical market cap	Large and Mid Cap
Available Universe	All listed companies in the S&P/ASX 200 Accumulation Index

The philosophy is straightforward and is centred on a high-conviction stock selection process with a focus on attractive and sustainable dividends, which is dictated by rigorous fundamental research and proprietary analysis to identify and test distinguished, non-consensus insights to identify mis-priced companies relative to their business models and earnings power. The investment team researches all stocks in the S&P/ASX 300 Index. The universe is filtered through a tiered system which broadly classifies the team's stock coverage into three categories: 'high priority', 'high interest' and 'watchlist'. This aids in prioritising the investment research agenda and ensures improved timeliness and accountability of research outcomes. Across these categories, the Manager actively researches and models 180 stocks. This is considered a pragmatic allocation of effort and resources. Analysts are assigned specific sectors for research and are meant to be 'specialists' in their sectors. Ryan has a 'generalist' role and works alongside 'specialists' throughout the research process, enabling him to focus on portfolio management.

Research Process

Key screens	Liquidity
Screened universe	180
Idea generation	Financial market data, Economic data, Newsflow/Events, Expert Networks, Financial statements, Brokers
Stocks researched	120
Annual manager meetings	2,000
Key research inputs	Financial statements, Company meetings, Company data, Industry data, Economic/Market data, Expert networks
Primary valuation approach	DCF

The research process is well-structured and is driven by 'bottom-up' fundamental research. It is considered adequately detailed and consistently implemented across the research universe. Idea generation is the responsibility of all team members. The investment team's all-cap coverage structure allows analysts to source ideas from both large and small-cap market sectors. Yarra's stock analysis prioritises identifying quality companies by evaluating their ability to generate strong free cash flow and an attractive and sustainable dividend. To accurately predict sales, profit margins, and capital expenditure, the method thoroughly examines a company's management, industry structure, and organisational assets. Research is distilled into a standardised one-page investment thesis, serving as the foundation for comparison and peer review. Proprietary models are developed and maintained, incorporating methods such as DCF, free cash flow yields, and other industry-specific valuation techniques, which analysts can apply at their discretion. While this flexibility may reduce comparability across the research universe, analysts express their conviction through a valuation ranking from zero to five, with five indicating the most attractive risk-adjusted upside. This system helps portfolio managers easily identify the most compelling opportunities across sectors.

Process (continued) ●●●

Portfolio Construction

Portfolio management structure	Portfolio Manager
Approach to benchmark	Benchmark Aware
Typical security numbers	45
Typical securities range	40-70
Typical portfolio turnover p.a.	40-100%
Typical active share	50%

The portfolio construction process is systematic and well-structured, with a clear link between the research effort and the size of active stock positions. It is risk-aware, avoiding significant style factor biases while balancing short- and long-term investment themes. The portfolio manager seeks to create balance across investment styles (incorporating investment ideas across value and growth) and across investment timeframes (balancing short and long dated ideas). This ensures that outcomes are driven by stock insights which are capable of delivering outperformance through market cycles. Within a total-return framework, the portfolio is constructed by preferring stocks with a higher proportion of their forecast (grossed-up for franking) total return from dividends. The role of the portfolio manager is to build a reasonably diversified portfolio of stocks characterised by a high and sustainable grossed up dividend yield as well as a strong expected total return. In this function, the portfolio manager will determine the level of risk taken, the percentage weighting of each stock, entry and exit strategies, tax implications and sector and factor risks. All of these considerations are taken within specified portfolio risk guidelines. Given the Equity Income capability focuses on attractive and sustainable dividend yield, regard to the timing of expected dividend payments (ex-div dates) will also form an important consideration of stock buy/sell decisions.

Capacity Management

Capacity guidance	\$17.80b
Strategy AUM	\$4.50b
Portfolio liquidity (1 week)	100.00%
Substantial holdings by manager	None
Strategy previously closed	No

The Manager is considered a large-sized Australian equities fund manager within the peer group. The Manager's overall capacity limit for its Australian equities strategies (in aggregate) is 0.6% of the market cap of the index, which equates to circa \$17.8b. At the current level of FUM, the Manager has ample headroom for growth. There are positives and negatives to low or high levels of FUM; however, on balance, managers with smaller FUM are believed to be better placed to add value. While there are no hard rules on capacity limits, Managers with significant FUM are believed to typically operate at a competitive disadvantage to smaller peers who can trade with less market impact. Albeit there are some positives to high FUM levels, including improved access to company management and analyst resourcing. Overall, there are no immediate concerns regarding YCM's FUM.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	Factset
Sector Limits (Min./Max.)	Benchmark relative: +/- 15%
Country Limits (Min./Max.)	Australia (100.00%), International (10.00%)
Non-index Allocation (Typical, Max.)	0%, 10%
Cash Allocation (Typical, Max.)	3%, 20%

Risk management is integral to the investment process. The position-sizing matrix ensures that active stock positions align with the team's assessment of their risk/return profiles combined with attractive and sustainable dividend yield. Additionally, risk models are employed to keep the contribution of each stock's active risk within internal limits. Utilising multiple risk systems and internal portfolio construction resources is a positive feature, enabling the team to reconcile different outputs and better understand each position's risk contribution to the Fund. This approach helps mitigate unintended exposures. Mark O'Neill, Senior Investment Manager, monitors active stock positions and risk attribution. As a separate resource from Yarra's compliance team, he provides an additional layer of oversight.

Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Risk or Value
Sustainability thematic	No Sustainability Thematic
Non-financial objective	None

What is the Manager's ESG approach for this product?

The Manager has indicated that their Responsible Investment style is "ESG Integration" and as such that they take Environmental, Social and Governance factors into consideration when assessing investment opportunities. With a primary ESG style of "Risk or Value" Managers will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. This approach may mean that lower quality ESG companies may be included if the return potential is sufficient and this may conflict with some clients perception of what a strong ESG process would deliver.

Sustainability Score

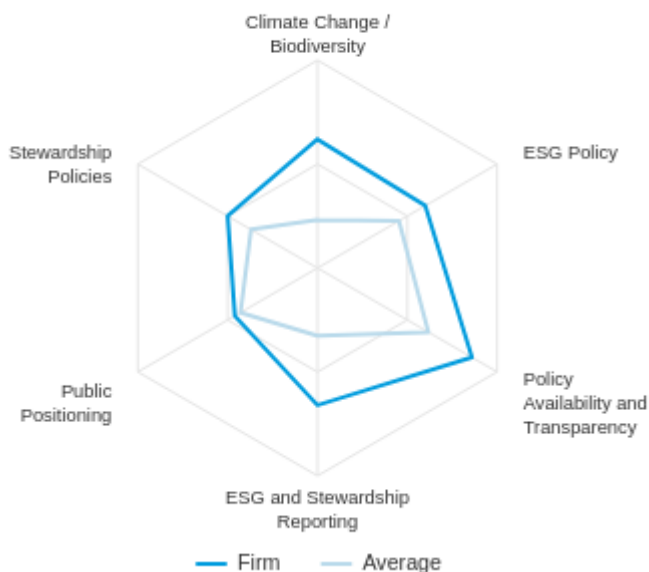
No score.

Lonsec Opinion & Supporting Facts

Overview

ESG Process Score Mod

ESG Snapshot



Product Level Approach

While the Manager is sourcing data from an external ESG data provider it is less comprehensive than some peers. There are clear signs of defined ESG elements within the research process for the Fund. Yarra has recently hired Dr. Erin Kuo as Chief Sustainability Officer, to provide thought leadership on ESG issues and to enhance ESG frameworks. There are clear links from the Manager's research to the stock selection process through the Managers incorporation of ESG factors in the discount rates used in their models. Portfolio monitoring is appropriate with the Manager using proprietary scores to monitor the overall ESG risk in the portfolio. There are clear portfolio-level ESG-based targets in place. While the Manager has systems in place to track and record engagements, there is no clear system for prioritising engagements or for measuring success.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical, or impact offering. As such, an alignment review for the product is not required, and the product's risk of misalignment has been assessed as not applicable.

Manager Level Approach

The Manager has articulated a commitment to integrating ESG considerations into the investment process; however the ESG policy does not provides extensive detail on ESG integration, which varies by asset class. The proxy voting policy is publicly available but general, including some principles on board composition, structure, remuneration and ESG considerations; all voting outcomes are disclosed with company names but without rationales. A standalone Stewardship Policy for listed equities sets out priority engagement themes, objectives, and escalation, with case studies included in the inaugural Sustainability Report. Climate-related risks and opportunities are integrated into ESG, with CO2 emissions, scenario analysis, and engagement examples disclosed, while biodiversity is highlighted as a priority theme, though no formal policy exists.

Product ●●●

Service Providers

Responsible entity	Yarra Investment Management Limited
Investment manager	Yarra Capital Management Limited
Custodian	Citibank
Administrator	CITI
Fund Auditor	Deloitte
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	\$127.00m
Fund 12-month net flows	Negative
Buy/sell spreads	0.15%/0.15%
Investment structure	Direct
Product type	Registered Managed Investment Scheme (Unitised)
Currency hedged	No
Use of derivatives	Yes
Types of derivatives	Exchange traded options, futures

What is the Product Structure?

The Fund is a long-only, actively managed, specialised income Australian equities product that will typically invest in larger companies listed on the ASX. The Fund is a Australian-domiciled unit trust, and is permitted to write call options to generate additional income. Derivatives are not permitted to be used for speculative or gearing purposes.

Lonsec Opinion

Service Providers

The Manager has engaged large 'tier 1' service providers for custody, administration, audit and broking services functions. Yarra Funds Management Limited is the Fund's Responsible Entity ('RE') and thus is a related entity. The RE is responsible for operating and managing the MIS, holds an AFSL and is required to comply with its AFSL and RE obligations as outlined under the Corporations Act. The RE is experienced and has a governance framework to deal with perceived conflicts of interest.

Operational 'Red Flags'

The Fund is a long-only, Australian equities product that will typically have a tilt toward larger ASX-listed companies. The Fund is permitted to write call options to generate additional income. The Manager has indicated that the use of options will be limited, and primarily exchange-traded options (ETO). The Manager also has the ability to use index futures to securitise cash, and there have been no issues historically in this regard.

Wind-up Risks

The Manager has a strong business commitment to grow the Fund and is well supported by the market. Wind-up risk for the Fund is minimal at current FUM levels.

Fees ●●●

Annual Fees and Costs (% p.a.)

Management fees & costs	0.80
Performance fee costs	0.00
Net Transaction Costs	0.08
Buy/Sell Spread	0.15/0.15
Annual fees and costs	0.88

Source: FE fundinfo, PDS Date: 02/Jan/2026

Performance Fees

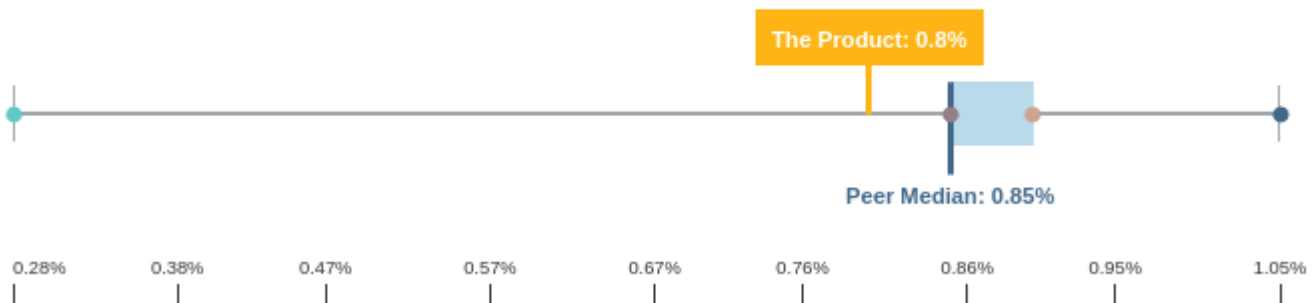
Applicable	No
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Fees Explained

The Fund charges a management fee of 0.80% p.a. and there are net transaction costs (over and above the buy-sell spreads) of 0.08% p.a. for total Annual Fees and Costs of 0.85% p.a. The Fund does not charge a performance fee.

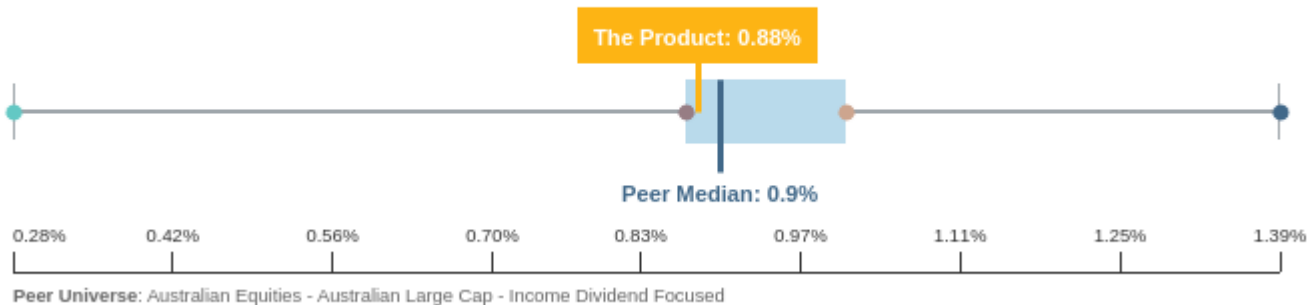
Management Fees and Costs Peer Comparison

● Lowest Peer ● 25th Percentile ● 75th Percentile ● Highest Peer



Annual Fees and Costs Peer Comparison

● Lowest Peer ● 25th Percentile ● 75th Percentile ● Highest Peer



Peer Universe: Australian Equities - Australian Large Cap - Income Dividend Focused

Lonsec Opinion

Annual Fees and Costs

The Fund's total AFC of 0.88% p.a. is broadly in line with the peer group median.

Fairness

The overall fee structure is attractive given it's broadly in line with the peer group median. The lack of a performance fee provides investors with additional certainty.

Performance ●●●

Performance Summary

PDS return objective	The Fund aims to provide a tax-effective income stream that exceeds the dividend yield of the S&P/ASX 200 Accumulation Index (grossed up for franking credits) by 2% p.a. over rolling five-year periods, before fees, expenses and tax, plus the potential for capital growth over the long-term.
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Internal risk objective	Tracking error is monitored, but not explicitly targeted.
Product benchmark	S&P/ASX 200 TR Index AUD
Lonsec peer group	Income Dividend Focused

Alpha Generation

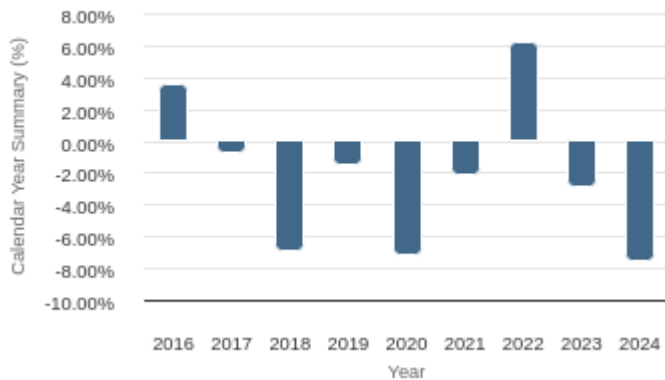
The Fund transitioned from Tyndall Asset Management to Yarra Capital Management on 2 January 2026 and therefore all performance history for the trust (APIR: TYN0038AU) prior to this date is attributable to the former Tyndall investment team.

The Yarra approach is 'core/style neutral' as opposed to Tyndall's 'value' style, so the portfolio will have differentiated exposures and holdings to the former portfolio prior to the January 2026 transition.

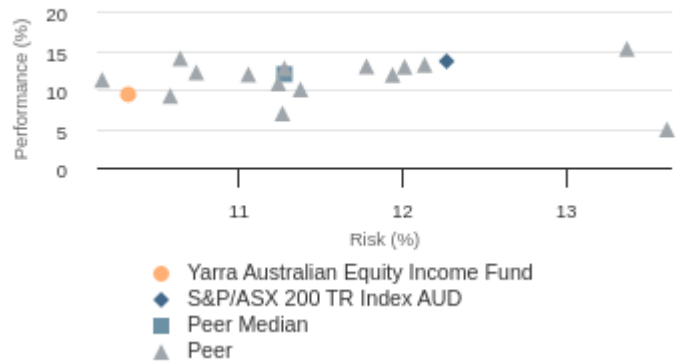
There is no performance history of the Fund under the new portfolio management team, however the Fund will be managed using Yarra's fundamental research similar to the Yarra Australian Equities Fund but with an income tilt to underlying holdings as the investment objectives differ.

All of the performance metrics and charts within this report relate to the trust and therefore not reflective of potential future outcomes due to the change in strategy.

Calendar Year Excess Return



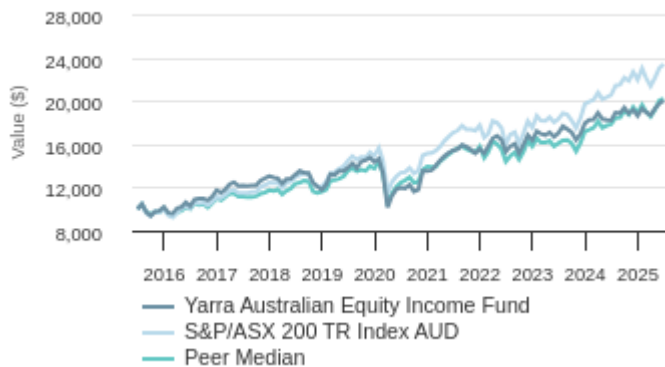
3 Year Risk and Return



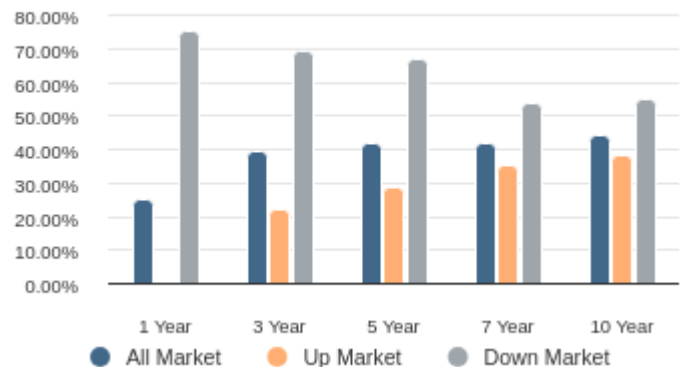
Alpha Consistency

There is no performance history to gauge return consistency. The Fund will be managed using a similar investment process to the Yarra Australian Equities Fund, with an income tilt due to different investment objectives.

Growth of \$10,000 Over 10 Years



Returns Consistency

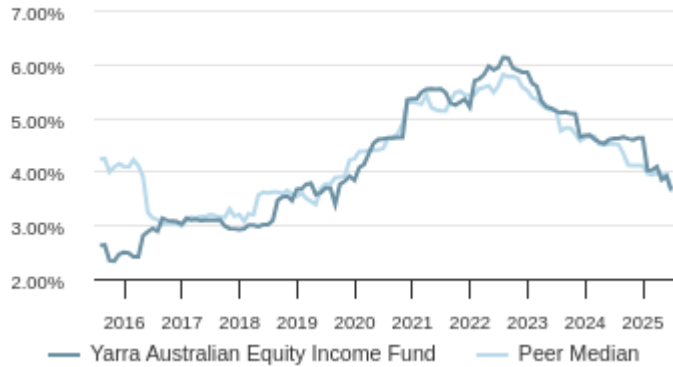


Performance (continued) ●●●

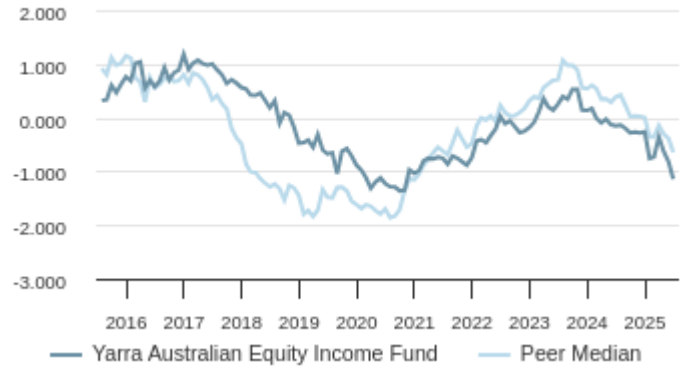
Benchmark Relativity

There is no performance history to gauge benchmark relativity. The Fund will be managed using a similar investment process to the Yarra Australian Equities Fund, with an income tilt due to different investment objectives.

3 Year Rolling Tracking Error Over 10 Years



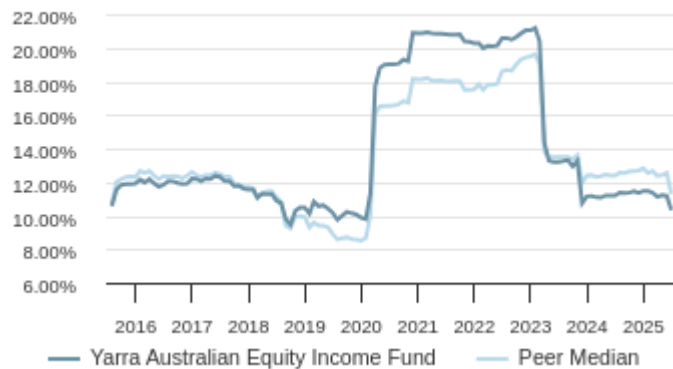
3 Year Rolling Information Ratio Over 10 Years



Return Volatility

There is no performance history to gauge return volatility. The Fund will be managed using a similar investment process to the Yarra Australian Equities Fund, with an income tilt due to different investment objectives.

3 Year Rolling Standard Deviation Over 10 Years



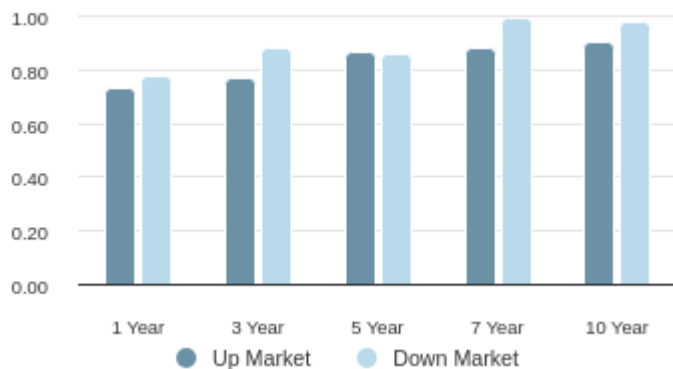
3 Year Rolling Sharpe Over 10 Years



Product Defensiveness

There is no performance history to gauge defensiveness. The Fund will be managed using a similar investment process to the Yarra Australian Equities Fund, with an income tilt due to different investment objectives.

Market Capture Ratio



Drawdowns



Ratings

'**Highly Recommended**' rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

'**Investment Grade**' rating indicates that Lonsec has conviction the product can meet its investment objectives.

'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.

'**Not -Approved**' rating indicates that Lonsec does not believe the product can meet its investment objectives.

'**Closed / Wind Up**' status is applied when the product has been closed.

'**Fund Watch**' status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

The '**Screened Out**' rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

'**Discontinued Review**' status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The '**Ceased Coverage**' status is applied when a rated product is withdrawn from the research process by the product issuer.

General

Climate Change / Biodiversity: the extent to which a manager has a leading climate and biodiversity policies.

ESG and Stewardship Reporting: the transparency, accessibility and usefulness of a manager's reporting.

ESG Policy: the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

Excess return: Return in excess of the benchmark return.

Information ratio: Relative reward for relative risk taken (Excess Returns / Tracking Error).

Key decision maker (KDM): A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

Market capture ratio: A product's performance during either 'up' or 'down' market trends relative to an index.

Policy Availability / Transparency: the ease of public access to, and transparency of, a manager's overall ESG policy suite.

Public Positioning: the resolve of a manager's commitment to ESG as ascertained by their public positioning.

Returns consistency: The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

Sharpe ratio: Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

Standard deviation: Volatility of monthly Absolute Returns.

Stewardship Policies: the strength of a manager's proxy voting and engagement policies with respect to ESG.

Time to recovery: The number of months taken to recover the Worst Drawdown.

Total return: 'Top line' actual return, after fees.

Tracking error: Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

Worst drawdown: The worst cumulative loss ('peak to trough') experienced over the period assessed.

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Lonsec Research FSG Financial Services Guide

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1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

Contact Details

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Email: info@lonsec.com.au
www.lonsec.com.au

1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
 - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
 - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

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Any advice that Lonsec Research provides is of a general nature and does not take into account your personal financial situation, objectives or needs. You should, before acting on the information, consider its appropriateness having regard to your own financial objectives, situation and needs and if appropriate, obtain personal financial advice on the matter from a financial adviser. Before making a decision regarding any financial product, you should obtain and consider a copy of the relevant Product Disclosure Statement or offer document from the financial product issuer.

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Lonsec Research receives fees from Fund Managers and/or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions fees for providing research content to subscribers including financial advisers, fund managers and financial product issuers. Lonsec Research's fees are not linked to the financial rating outcome of a particular financial product. Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Due to the specific nature of its charges, disclosure of Lonsec Research fees may not be ascertainable when you receive this FSG, but you are able to request this information in writing before a financial service is provided to you.

Lonsec Research FSG (continued)

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Complaints Manager

Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395

Email: complaints@lonsec.com.au

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

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This FSG was prepared on 1 August 2024.